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CHALLENGE IN LATIN AMERICA

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Six specialists evaluate recent Latin American developments in this January issue of Current History. Analyzing the past and potential role of the United States in this area of continuing flux, the author of our lead article writes that . . . "the United States position . . . is in several important respects healthier than it was a decade ago, and markedly stronger than it was in 1960 or 1961." Today, he feels, "United States understanding of the limits of its influence . . . is much more advanced."

The U.S. in Latin America

By RONALD M. SCHNEIDER

Visiting Associate Professor of Government, Columbia University

TEN YEARS AGO the belief prevailed in the United States that while crises were chronic in many parts of the world, all was relatively well in Latin America. Of course there was a general realization that there had been trouble in Guatemala, one of the Central American "banana republics," but the Communists in that case had been routed without great strain. Indeed, United States diplomacy was widely held to have won a cold war victory in the Guatemalan affair. Elsewhere in the region, vociferously anti-Communist regimes were in power. The United States, it was confidently felt, could gain its ends in the hemisphere with little difficulty.

Today this picture has been radically altered; most North Americans accept the view that Latin America is in an explosive, even prerevolutionary situation. Economic conditions seem to be worsening in spite of massive United States financial assistance, and the Alliance for Progress is said to have

failed each time there is a *coup d'état* or some country adopts an international stance at variance with the United States position. Many despair of the region's finding a way out of its morass of problems that would be compatible with democracy or United States national interests. Yet this pessimistic view of the contemporary situation is no more valid than the unrealistically rosy view which prevailed a decade ago.

Despite the absence of surface indications at the time, 1954 was a year of near disaster for the United States in Latin America. Its deleterious effects were not immediately felt, but they led to problems that reached nearly unmanageable proportions within another five years. Similarly, while 1964 was not characterized by dramatic gains, such as a disappearance of the Castro regime or a general flowering of democracy in Latin America, it may well go down in history as the year in which the tide of deterioration was stemmed and the foundation was laid for a strengthen-

ing of the United States position.¹

In 1954, it became apparent to those few individuals closely following United States-Latin American relations that the Eisenhower administration had opted for a static policy in support of the *status quo* in the hemisphere. Milton Eisenhower's study mission had not engendered a sense of urgency, and the urgings of Assistant Secretary of State John Moors Cabot for greater attention to Latin American complaints were brushed aside. Indeed, Cabot was replaced by Henry Holland, whose links to United States oil companies served to confirm Latin American suspicions that business interests dominated policy toward the region. The Tenth Inter-American Conference at Caracas in 1954 was far from the diplomatic triumph it was painted in the United States press. Secretary of State John Foster Dulles' high-handed approach, and the diplomatic arm-twisting that mobilized votes for the United States-sponsored anti-Communist resolution, gave rise to resentments which are still operative on the part of many Latin Americans. The perhaps necessary, but too transparent, covert support for the overthrow of the Communist-oriented Arbenz regime in Guatemala—carried out at the very time that an inter-American meeting of consultation was

¹ In this respect 1954 is, of course, only a convenient date for the culmination of a number of trends begun several years before; further, in many respects the low point for the United States in the region was reached in the 1959–1961 period. No complete review of United States-Latin American relations can be achieved within the confines of this brief article, nor is there in print a fully adequate study covering the postwar years. Robert J. Alexander's "New Directions: The United States and Latin America" in *Current History*, XIII, No. 246 (February, 1963), pp. 65–70, covers many of the significant considerations, particularly the neglect of Inter-American problems in the postwar period and the nature of the transformations taking place in Latin America. Grant S. McClelland (editor), *U.S. Policy in Latin America* (New York: H. W. Wilson Co., 1963), brings together a large number of relevant articles published in various periodicals during 1961 and 1962.

² In 1958, Brazilian President Juscelino Kubitschek had proposed a cooperative hemispheric crusade against the evils of underdevelopment upon which, in his view, communism fed. Discovered by presidential candidate John F. Kennedy's Latin American affairs advisors, Kubitschek's "Operation Pan American" provided much of the inspiration for the Alliance for Progress.

being convoked to deal with the Guatemalan problem—unfortunately confirmed Latin American belief that the United States was hostile to legitimate nationalistic and reform aspirations. The suicide note of Brazilian President Getúlio Vargas in August of that same year nourished this attitude and left a legacy which has adversely affected United States-Brazilian relations to the present.

The sterility of the Rio de Janeiro Economic Conference in November added to Latin American frustrations. Moreover, the end of the Korean War had terminated the artificially high commodity prices to which the Latin American economies had become geared. Developments of the subsequent three and a half years only nourished the opinion that Secretary of the Treasury George Humphrey and the Pentagon were the major factors in determining the main lines of United States policy in Latin America. In addition, Latin America's terms of trade continued to worsen with disastrous impact upon development efforts.

Realization that something was seriously wrong with United States-Latin American relations dawned slowly. The trauma of the near-lynching of United States Vice-President Richard Nixon on his South American tour in the spring of 1958 dramatized the deterioration of the United States position. Latin Americans' dissatisfaction over the halting response to their aspirations and needs in the economic realm came to a head in 1958 and 1959. By the time the Eisenhower administration belatedly came forth with a more positive program, the Cuban problem had already grown acute, dividing hemisphere opinion and causing new tensions. Thus, the forward step marked by the Act of Bogotá in September, 1960, some two years too late, was viewed as a bribe or attempted inoculation against *Fidelismo*.²

IMPROVEMENT UNDER KENNEDY

Calling for an Alliance for Progress, the Kennedy administration sought to erect a new edifice of hemispheric cooperation on the foundation established by the Act of Bogotá. Unfortunately, it was not possible to separate

this program from the struggle against the Castro regime. The President's proposal came only a month before the ill-fated Bay of Pigs invasion in April, and the shadow of this affair hung over the organizing conference in August, 1961.

Yet the resulting Charter of Punta del Este was a very important accomplishment and a landmark in hemisphere cooperation. In addition to providing a touchstone for United States programs and policy in the region, it committed the Latin American republics to "a common effort to bring our people accelerated economic progress and broader social justice within the framework of personal dignity and political liberty."

Economic goals in the fields of growth, distribution, diversification and industrialization were established; comprehensive agrarian reform and universal primary education were enshrined as top priority social aims; and maximum self-help was established as a condition for external assistance. In addition, the United States assumed a long-run commitment to see that total financial assistance would approximate \$2 billion annually for a ten-year period.

That all this was not transformed from document to reality in the first two or three years is not surprising. While disappointments have been many and the Alliance has frequently appeared to be "just another aid program," progress in the economic and social fields has been significant, although spotty.³

Difficult as the problems of economic development and social reform proved to be during the infancy of the Alliance for Progress, efforts to strengthen representative democracy in Latin America were much

more frustrating. The Kennedy administration worked very actively and with no little success to foster the establishment of a democratic regime in the Dominican Republic following the assassination of long-time dictator Rafael Trujillo in May, 1961. The popular election of reform-minded Juan Bosch to the presidency in December, 1962, appeared to be a significant step in this direction, but within the year he was overthrown by the armed forces and conservative political groups.

Moreover, in spite of strong United States urgings to the contrary, the Peruvian military had seized power in mid-1962 when electoral results seemed to favor Víctor Raul Haya de la Torre, long a symbol of the nationalist left in Latin America. Subsequent United States non-recognition and the withholding of economic assistance did not force them to step down. Since the Argentine army had ousted President Arturo Frondizi shortly before, and with successful military power coups also taking place in Guatemala, Ecuador and Honduras during the course of 1963, expressions of deep concern over the fall of elected civilian regimes became almost commonplace.

Here too historical perspective is helpful in assessing the true nature of the situation. At the end of 1954, legitimate constitutional governments held office in only seven of twenty countries, provisional regimes resulting from successful revolts or coups governed four other nations, while dictatorial regimes were in power in nine countries. In comparison, the box score at the end of 1964 includes eleven elected constitutional governments, six provisional regimes, and only three dictatorships. In addition, five of the six countries in the middle category are scheduled to return to constitutionality through elections during 1965. The experience of the past three years demonstrates that United States diplomacy has been considerably more effective in pressing for a return to elected governments than in discouraging military take-overs.⁴ Certainly worthy of note is the great difference in terms of relative political freedom, respect for human rights and in-

³ Already there is a sizable if none too substantial literature on the Alliance. One item of particular interest is Víctor Urquidí's "Some Misunderstandings on the Alliance for Progress" in Joseph Maier and Richard W. Weatherhead's symposium on *Politics of Change in Latin America* (New York: Frederick A. Praeger, 1964) pp. 223-238.

⁴ A discussion of the seven successful *golpes* which occurred between April, 1962, and April, 1964, and the regimes which emerged is contained in Edwin Lieuwen's *Generals vs Presidents* (New York: Praeger, 1964).

dividual liberties between contemporary military regimes and those of earlier periods.

THE PANAMA IMBROGLIO

Almost before the new Johnson administration had assembled its Latin American team, armed clashes between Panamanian rioters and United States troops broke out on the Canal Zone boundaries, bringing in their wake a major case of diplomatic indigestion, the unpleasant taste of which still lingers.

The very inequality of the struggle and the memories which it evoked of an earlier period when the Caribbean policy of the United States often rested on bayonets made the dispute acutely embarrassing. The fact that 1964 was an election year in both Panama and the United States did not help.

Stated starkly, the Republic of Panama's sole reason for being is the Canal, which bisects it to link the Atlantic and Pacific Oceans for the benefit of world maritime commerce. The isthmus has been a focal point of United States interest since the railroad to facilitate the development of California was completed in the mid-nineteenth century. Subsequently, under Theodore Roosevelt, the United States determined to build and control a canal.

When in 1903 the congress of Colombia refused to ratify the necessary treaty, the Panamanians revolted and, with United States support, gained nominal independence. The Hay-Bunau Varilla Treaty subsequently granted the United States all power "as if sovereign" in a ten-mile wide Canal Zone, along with the right to intervene militarily to maintain order in Panama. Not until this provision was dropped in the 1936 treaty revision did Panama become in fact an independent nation (rather than a United States protectorate); and during World War II much of its territory was occupied by United States armed forces protecting the Canal.

United States-Panamanian relations in the postwar period have been a peculiarly ambivalent blend of acrimony and harmony. In 1947, Panamanian public opinion united in opposition to the renewal of military base

rights granted to the United States during the wartime emergency. President José "Chichi" Remón, who came to power about the same time as Eisenhower took office, obtained through prolonged negotiations a series of modifications of the existing treaty (which had been partially revised in 1936). Although the resulting documents were signed in 1955, many of the new provisions were not implemented for several years, and then in a manner which the Panamanians felt emasculated some of the concessions won.

In November, 1959, a violent clash occurred when a number of Panamanians, mostly students, sought to implant their flag in the Canal Zone as a symbol of residual sovereignty. The Eisenhower administration subsequently agreed over the strong opposition of the United States Congress to the flying of both countries' flags at one location in the Zone. Canal Company civilian employees saw their job security and privileged position threatened by United States acceptance of Panamanian demands for equal pay, greater access to white collar and supervisory jobs, restriction of commissary sales, and a voice in Canal administration. Thus they sought to impede United States concessions, including particularly the display of Panamanian flags in an increased number of locations.

Nevertheless, considerable progress toward increased participation and benefits for the host country was made during the 1960-1963 period. Diplomatic and people-to-people relationships improved through the efforts of Ambassador Joseph Farland and the top military commanders in the Zone, which remained the headquarters of the United States Southern Command encompassing all United States military forces in the Latin American region.

These gains were wiped out on January 9, 1964, when a group of excited Panamanian high school students, protesting the flying of the Stars and Stripes alone in front of Balboa High School (a violation of express orders by the Zone Governor) sought to raise the Panamanian flag as well. Fighting that broke out between United States and Panamanian students was exploited by political agitators

spreading stories of a massacre of the Panamanian students by Zone police and of an alleged desecration of their flag. Before order was fully restored three days later a score of Panamanians and several United States soldiers were dead and North American business establishments in Panama City gutted.

Panamanian President Roberto Chiari, feeling a need to take a nationalist stance with elections less than four months away, broke diplomatic relations with the United States; his United Nations Ambassador, himself a leader in the 1959 demonstrations, brought charges of aggression before that international forum. Special teams of negotiators eventually cleared the way for a resumption of diplomatic ties in April, and Jack Vaughn, former director of the Latin American programs of the Peace Corps and an ex-technical assistance expert in Panama, was named by President Johnson as the new United States Ambassador. The able and well-liked envoy and his experienced staff worked closely with Chiari during the last months of his administration and enjoy even stronger ties to the new government of President Marco A. Robles, inaugurated in October, 1964.

Nevertheless, friction and misunderstanding may arise during discussions of further treaty revisions, and the memories of last January are far from forgotten. Wages paid to Canal Zone employees along with purchases of foodstuffs and other supplies by the Panama Canal Company amount to some \$85 million annually and constitute the most important element of Panama's national income. Realization that the present lock-type canal is obsolescent and will soon need to be replaced with one at sea-level has sharpened Panamanian feelings that increased earnings

from the Canal are essential to the nation's solvency and development. All this, combined with the sharp contrast in living standards between the Zone and the Republic, increasing sensitivity on the issue of sovereignty, and racial tensions (perhaps half of the people of Panama are mulatto), contributes to a continuing unrest. The signs on the street bordering the Zone in downtown Panama City may say John F. Kennedy Avenue, but for most Panamanians it is the Avenue of the Martyrs.

REVOLT IN BOLIVIA

In contrast to 1963, which as previously indicated saw no fewer than four military ousters of constitutional governments—each of which created major diplomatic problems and policy dilemmas for the United States—there were only two regimes overthrown during 1964. One of these was in Brazil;⁵ the other in Bolivia.

The Bolivian revolt of November, 1964, which ousted the government of Victor Paz Estenssoro, underscored the fact that a social revolution in and of itself is not the answer to a country's problems, particularly one as retarded in development as this landlocked Andean nation with its largely Indian population.⁶ Traditionally, Bolivia has been one of the least stable and least democratic of the Latin American republics. Political power has been held by a small white upper class who owned the mines and most of the good land and who controlled the Army.

Bolivia's disastrous defeat at the hands of Paraguay in the Chaco War (1932–1935) undermined the position of the élite and gave rise to movements demanding revolutionary change. Through a coup in December, 1943, a group of young officers came to power in partnership with the Nationalist Revolutionary Movement (M.N.R.), led by such middle class intellectuals as Victor Paz Estenssoro and Hernán Siles.

Ousted by force in 1946, the M.N.R. won the 1951 elections; although denied the fruits of this electoral victory, it came to power the following year through a successful revolution. The Army was virtually destroyed, the

⁵ For greater detail and an informed interpretation of recent Brazilian developments see the article on Brazil in this issue of *Current History*, page 9, and also Charles Wagley's *Brazil: Crisis and Change* (Foreign Policy Association, Headline Series, No. 167, October, 1964).

⁶ A useful discussion of Bolivian developments is contained in Richard Patch's "Peasantry and National Revolution: Bolivia" in Kalman H. Silvert (editor), *Expectant Peoples* (New York: Random House, 1964) pp. 95–126.

oligarchy stripped of its privileges, and major efforts made to incorporate the miners and peasants into the life of the nation. The tin mines, the foundation of the country's export economy, were nationalized and a substantial agrarian reform was implemented.

In 1956, Siles was elected to succeed Paz as president. Attempting, with heavy United States assistance, to halt inflation and develop the Bolivian economy, Siles came into conflict with Juan Lechín, leader of the radical labor-based wing of the M.N.R. The election of Paz once again in 1960 caused defections by M.N.R. conservatives. In this situation the regime became less, rather than more democratic, and elections were increasingly manipulated. At the same time the armed forces were again built up, as violence rose in the countryside and on the part of the miners.

Dissension within the government party increased during Paz's second administration; when he decided against tradition to seek reelection in 1964, both Lechín and Siles went into opposition and boycotted the election. A falling out between Paz and his new Vice-President, General René Barrientos, and increasing labor unrest set the stage for the coup which ousted the M.N.R. regime after more than 12 years in power. On November 4, 1964, Paz fled the country and Barrientos took over as president at the head of a military cabinet.

Bolivia's economic problems remain essentially as grave as they were more than a decade ago when the United States began heavy financial assistance. Relatively little progress has been made with diversification, and tin is provided at a cost above world market prices. The mines are sorely in need of modernization, but the government still lacks the requisite capital. Infrastructure investments have not yet had readily apparent beneficial effects and the large lowland areas have not been put to productive use. A continued heavy inflow of foreign assistance has prevented marked economic deterioration, and similar aid will be needed for many years to come.

Thus the new government faces staggering problems. Large segments of the population

remain loyal to Paz and the M.N.R., and others may join them if the Barrientos regime is not able to satisfy aspirations which far outrun the country's limited resources. The United States, too, faces a cruel dilemma. Well aware of the shortcomings of the M.N.R., the United States government nevertheless considered it the best hope to deal with the problems of a nearly nonviable country. Now it must hope the disparate opposition elements which collaborated in Paz's ouster can be melded into a reasonably competent administration.

TRADE AND INVESTMENT

The pattern of Latin America's international commerce, although slowly changing, still reflects the area's traditional position as a supplier of foodstuffs and raw materials to the more industrialized nations of the Western World. The United States purchases about one-half of all Latin American exports, paying a little over four billion dollars each year for petroleum, coffee, copper, lead, sugar, cacao, tin and a variety of other commodities. Slightly over another 30 per cent of Latin America's export trade is with Western Europe. Nearly ten per cent of the region's foreign commerce is with Japan and the Communist countries, chiefly Russia. Thus, there is relatively little trade among Latin American countries, most of which have basically competitive economies. Few countries carry on more than ten per cent of their trade with their neighbors. Over one-half of intraregional trade is in foodstuffs, and one-fourth in fuels. Exchange of manufactured goods on an important scale is only beginning.

During the past five years the countries of Latin America have paid increasing attention to the possibilities of greater intraregional trade and economic integration. In 1961, the Latin American Free Trade Association (LAFTA) came into being. With the participation of all South American countries except Bolivia and Venezuela (although the latter is expected to join soon) plus Mexico, progress has been made toward the progressive lowering of tariff walls. Trade among

the member nations has reached an annual level of over one billion dollars, or about ten per cent of their total international commerce. Yet under present plans another nine years will be needed before truly free trade is achieved. A Central American Common Market has also been evolving in a relatively satisfactory manner since 1960, and by 1962 commerce among the five member countries had risen from 3 to 11 per cent of their total international trade. Both these efforts have been backed by the United States, but the United States Congress has failed to approve the International Coffee Agreement and problems continue with regard to commodity prices. Most Latin Americans hold that United States aid does not fully compensate for the low prices paid for their agricultural and mineral exports.

Foreign capital has played a major part in the development of Latin America, but its future role is now a leading political issue in many countries. Prior to 1929, there was a heavy flow of foreign private investment into Latin America. During the world depression of the 1930's there was a net outflow of foreign capital. After the war, the renewed stream of capital to the area reached a level of over \$750 million a year, until by 1959 direct foreign investment totaled almost \$14 billion, three-fifths of it from the United States.

Private foreign investment has fallen off in the wake of the Castro regime's wholesale expropriation of foreign enterprises and an atmosphere of political instability accompanied by threats of expropriation in several other countries. Indeed, repatriated earnings exceeded the flow of new United States capital in 1962, but public funds and loans from international agencies have at least partially filled the gap. Most United States private investment in Latin America is in the extractive and public utility fields: 37 per cent in petroleum; 13 per cent in mining; and 8.5 per cent in transportation, communications

and power. Only 22 per cent is in manufacturing, the field which most Latin Americans associate with contributions to economic development. Geographical concentration is also great with 33 per cent of the United States investment in Venezuela, 13 per cent in Brazil, 10 per cent in Mexico and 9 per cent each in Argentina and Chile.

Widespread Latin American reservations concerning the contribution of private foreign investment rest upon deep-seated feelings that exploitation of non-renewable resources should be left in national hands; that excessive profits are remitted by foreign firms instead of being reinvested in the country; that foreign capital perpetuates "colonial" economic relationships and works against development and diversification; that foreign companies meddle in domestic politics and seek the intervention of their home governments to protect their interests. Relatively few Latin Americans are strongly swayed by arguments that they should pay substantially for the technical knowhow of the foreign firms, that profits should be high because of the risks involved, and that foreign investment creates new jobs and opportunities for advancement. Many, however, realize that the region lacks the capital to develop its own resources. But their strong preference is for government-to-government loans. In this respect, they find the Alliance for Progress more satisfying than previous United States policy.

Problems regarding United States private investment continue, but the trend during the past year has been toward mutual accommodation and the quest for satisfactory solutions.⁷

PROGRESS ON THE ALLIANCE

The Alliance for Progress showed signs of increased life during 1964. The Inter-American Committee on the Alliance for Progress, the new directing body set up following the São Paulo Inter-American Economic and Social Council meeting in November, 1963, came into existence under the chairmanship of Colombia's Carlos Sanz de Santamaría. Its reunions in Mexico City in July and Wash-

⁷ For a provocative discussion of the role of North America business in Latin America see Peter Nehemkis, *Latin America: Myth and Reality*, (New York: Alfred Knopf, 1964).

ington in October led to increased optimism that the improved machinery of the Alliance would henceforth work more smoothly and rapidly. Thus, United States Alliance Coordinator Thomas Mann was able to submit an optimistic report to President Johnson on the eve of the elections, stressing that "1964 has been marked by a new unity of purpose in making the Alliance not just a statement of goals, but a reality." Loan commitments during the first half of the year exceeded the figure for all 1963, and the rate of United States private investments, which had lagged badly during the preceeding three years, doubled during 1964. In addition, much of the comprehensive planning called for under the charter of Punta del Este has been completed.

Statistical box scores on the Alliance, although encouraging in many respects, do not give cause for declaring that the program is a success. The magnitude of the problems involved is so great that figures such as 250,000 houses, or 25,000 new school rooms only signify an end of falling behind growing shortages, not a real beginning on catching up on existing needs. Moreover, inflation is still rampant in many countries and too high a proportion of Alliance funds goes to meet budget deficits rather than directly to finance economic development and social overhead projects. But perhaps the greatest shortcoming of the Alliance is its failure to develop the political appeal necessary to mobilize the hopes and human energies of the restless Latin American masses.

During 1964, the Organization of American States revealed an increased capacity for facing up to the Cuban problem. Finding that the Castro regime, by making clandestine arms shipments to the Venezuelan insurgents, had committed "an aggression which is not an armed attack, and an intervention" the O.A.S. Foreign Ministers called for mandatory diplomatic and economic sanctions under the Rio Pact (the Inter-American Treaty of Reciprocal Assistance of 1947). Moreover, the conference in Washington in July, 1964, issued a warning to the Castro regime that further acts of this nature could bring armed

retaliation on a unilateral or multilateral basis. Of the countries still maintaining diplomatic ties with Cuba, three—Chile, Uruguay and Bolivia—subsequently complied with the call for a break, while Mexico, rigidly wedded to a strict doctrine of non-intervention and self-determination, refused to sever relations.

Charles de Gaulle's long-heralded South American tour demonstrated that these countries were not inclined to abandon close relations with the United States in order to align themselves with a French-led "Third Force." They appreciated the attention, but asked the French President to give substance to the gesture by concessions in the realm of trade and aid. Indeed, the episode helped strengthen the position of the United States by dispelling unrealistic illusions concerning the magnitude of possible French assistance, thus underscoring the fact that only the United States is prepared to contribute to Latin American economic development on a large and sustained scale.

CHRISTIAN DEMOCRACY GAINS

In September, 1964, reform-minded Christian Democrat Eduardo Frei defeated pro-Castro Salvador Allende for the presidency of Chile by roughly 3 to 2. This resounding triumph gave new confidence to democratic reform forces throughout Latin America and underscored the fact that Christian

(Continued on page 50)

Ronald M. Schneider served as a Latin American specialist in the Department of State's Bureau of Intelligence and Research from 1957 to 1963. From 1960 to 1963, he was also Lecturer and Visiting Professor at the Catholic University of America. Mr. Schneider has recently toured Latin America under the auspices of the Institute of Latin American Studies at Columbia in regard to its summer program. He is the author of *Communism in Guatemala: 1944-1954* (New York: Praeger, 1959) and is editing the forthcoming *Atlas of American Affairs* (New York: Praeger, 1965).

This author analyzes the achievements and difficulties of the Castelo Branco regime and raises the question of whether the President "might be driven from office by discontented elements in the armed forces," noting that "once differences in the armed forces appear, the unexpected must be expected."

Brazil in Quandary

By JOHN J. JOHNSON
Professor of History, Stanford University

BRAZIL, with its great physical and human resources, is always interesting. Its hopes and delusions, its mixture of simplicity and complexity and its profound faith in its own destiny can provide surprises, pleasant or otherwise. The last three months of 1963 and the first nine months of 1964 produced an excess of interest and no end of surprises, the highlight of which was the ouster of President João (Jango) Goulart by the Brazilian military. Because this development arrested a persistent drift to the left in Brazil, at least temporarily, it probably should be rated the most important single political happening in Latin America since Fidel Castro overthrew Fulgencio Batista on January 1, 1959.

Perhaps most important to an understanding of events in Brazil is a discussion of (1) the general conditions leading to the "coup" or "revolt" or "*golpe*," the term dependent upon one's point of view, (2) the key developments immediately before and after the overthrow, and (3) the course of events between the beginning of April and the end of September, 1964. This analysis is done in greys. If there are blacks and whites they are not apparent to this author at this time. The loss of democracy is not the issue, because democracy was doomed whether or not President Goulart remained in office.

João Goulart, the victim of the military uprising and, as this is written, an exile in

Uruguay, was a political protégé of popular, former Dictator-President Getulio Vargas (1930-1945, 1951-1954). As Minister of Labor in Vargas' second government, Goulart became *persona non grata* to the military for his "coddling of Communists in the labor movement" and for "Peronist" tendencies, and the military establishment forced him to resign his office early in 1954.

Goulart won the vice-presidency as the candidate of the Vargas-created Brazilian Labor party (P.T.B.) in the election that brought Juscelino Kubitschek of the Social Democratic party (P.S.D., also a Vargas creation) to the presidency in 1955. Then, in 1960, Goulart was again elected vice-president as the P.T.B. candidate when eccentric Jânio Quadros won an overwhelming presidential victory as the candidate of the National Democratic Union.

When Quadros resigned after seven months in office, segments within the armed forces tried unsuccessfully to prevent Goulart from succeeding Quadros but were able to force the substitution of a parliamentary system for the traditional presidential system. A plebiscite held on January 6, 1963, returned Brazil to a presidential system with Goulart, his powers increased, at the nation's helm. The Brazilian armed forces continued to be skeptical of him.

Goulart served a total of 31 months as prime minister and president, and each month

Brazil's plight seemed to worsen. He proved to be an incredibly incompetent and inefficient economic and political administrator with little talent for organization. As president, he was a procrastinator, reluctant to delegate authority. This was, perhaps, not as disadvantageous as it sometimes appeared to be because he was a poor judge of men, and it is widely acknowledged that he surrounded himself with mediocrity. Goulart possessed a high tolerance for corruption and the use of public offices for personal gain. He was an unabashed opportunist, without ideological commitments or dedication to friends. He used public power freely to wage war against his personal enemies. He demagogically appealed to the politically unsophisticated working masses, wrapped himself in the flag of a strident nationalism, and increasingly depended upon leftist extremists, including Communists. He may actually have encouraged Communist infiltration of the government, as he almost certainly did in the case of the labor unions. But few responsible observers feel that Goulart was a Communist, and for his part he has steadfastly denied Communist affiliation.

As president, Goulart called for land, tax, and electoral reforms, all of which deserve the attention of all Brazilians of good will. There is, however, little in his record to show planned systematic effort on behalf of the reforms he urged. He offered himself as a democrat, but he publicly declared during his last weeks in office that he was prepared, if necessary, to forego legality and constitutional processes in order to achieve his "reforms." From November, 1963, onward, Goulart was accused, by a wide range of responsible individuals, of preparing the climate for a political coup, with the closing of the congress as his main objective.

But Goulart was not solely responsible for what happened in Brazil during his tenure. He became president at a time when domestic problems were already getting unmanageable. And before he rose to power, as well as afterwards, the willingness to sacrifice the nation's interest for personal profit was commonplace. Also, Goulart had to

keep a pact with the P.S.D. alive to carry out any kind of a legislative program.

ATTITUDE IN WASHINGTON

Meanwhile, President Goulart was far from being a favorite in Washington. Policy-makers there had serious doubts about him long before he became president; his decisions (and lack of decisions) afterwards merely confirmed, Washington felt, its earlier judgment—or so it appeared to the outsider. Three considerations in particular seem to have troubled Washington. (1) Goulart was either unwilling or unable to stem inflation and showed little concern for the near chaos of the Brazilian economy. (2) His foreign policy dangerously weakened traditionally close United States-Brazilian ties, while it pointedly served the interests of Castro's Cuba. (3) He allowed penetration of the government apparatus and semiofficial institutions by members of the Communist party.

By mid-1963, Washington obviously had concluded that Goulart was a bad risk and showed its displeasure with him by a slow-down of loans and aid, to the point where the United States was engaged in no more than a holding operation in Brazil. Only the Superintendency for Development of the Northeast (SUDENE), the agency charged with improving the economy and general welfare of the depressed "hump" of Brazil, continued to receive the reasonably warm support of Washington.

United States investors in Brazil reflected concern in a number of ways. They sent very little new capital into the country, and those with established operations tended to cut back their expansion programs. Like the United States government, they gave the impression of "waiting out Mr. Goulart."

The wisdom of the United States government's decision in regard to Goulart will be debated for some time to come. The debate will probably center on two questions. (1) Did the decision of the United States to engage in a slow-down of loans and other forms of aid constitute an open invitation to Goulart's internal enemies to harden their op-

position to him? (2) Since Goulart could not reasonably expect loyal and sustained support from the centrist and conservative groups that controlled congress—except on their terms—did the action of the United States drive him further to the left than he would have gone by choice?

Whatever the final answers to the above questions, the facts are that before the end of 1963 Goulart felt compelled to try to throw the Brazilian armed forces off balance and to keep them off balance until such time as he could win sufficient popular support to make the price of unseating him too great for the military to pay. As of this writing, the armed forces are in control of the country (after seizing power with hardly any bloodshed) and Goulart is in exile in Uruguay (after having been deserted by civilians to the point where one must ask if he actually had the popular support he claimed to have). Clearly, when the stakes were highest, he lost.

The real loser, however, was Brazil. While Goulart sparred with the congress and the anti-Goulart forces in the armed services watched nervously from ringside, the class struggle was embittered. The hopes and aspirations of the emerging groups were aroused to the point where they could not possibly be satisfied within the framework of existing economic and social institutions.

Brazil's total foreign debt rose above \$3 billion for the first time, and the nation's principal creditors—the United States, Great Britain, West Germany and Japan—were confronted with a choice of seeing the government declare a moratorium on its debt payments or stretching out those payments. They chose the latter.

Nothing of a serious nature was achieved by way of freeing the nation from dependence upon coffee for its foreign exchange. In 1963, as in the late 1930's, that commodity, although it represented no more than 5 per cent of the gross national product, provided between 65 and 70 per cent of the nation's foreign exchange earnings.

The cruzeiro (Brazil's monetary unit) plummeted from 180 to the U.S. dollar in 1960 to 1250 to the dollar in November,

1963. Only the best security risks and friends of "Jango" could get loans at all and then at rates of from 45 to 60 per cent per annum.

Runaway inflation and massive deficit spending by the Goulart government obviated whatever effect somewhat improved tax performance might have had. The cost of living rose nearly 100 per cent during 1963, as the administration met its budgetary deficits by increasing the currency in circulation by 70 per cent.

The economic growth rate dropped from 7.7 per cent in 1961 to 4.5 per cent in 1962, to below 3 per cent (the opposition claimed that it was only 2 per cent) in 1963, while the population increased 3 per cent per annum. This meant that for the last full year of the Goulart administration, the nation experienced a net decline in per capita output.

The principal events leading up to the overthrow of President Goulart and the developments immediately subsequent to his removal seem clear. Not clear, as yet, is what was going on behind the scenes in Brazil or why certain of the principals in the affair took the course of action they did.

The immediate events date from March 13, 1964. On that day at a "Rally of Decisions" attended by 120,000 persons, President Goulart declared that if he could not carry out his program by legislative means he would go over the heads of the congress and the judiciary. Other larger rallies were scheduled. On March 15, President Goulart sent a message (some called it an ultimatum) to congress demanding nearly unlimited decree-making powers and requesting a change in the constitution that would permit the use of government bonds instead of cash to pay indemnity for property expropriated under the administration's proposed agrarian reform program. Also on March 15, President Goulart decreed the expropriation of the country's remaining privately-owned petroleum refineries, which were to be taken over by the state-owned Petrobras, which was already refining more than 90 per cent of the nation's petroleum.

The first major opposition response came

on March 19, with a Roman Catholic march for "God and Family." The march brought a half million persons into the streets of São Paulo, Brazil's greatest industrial and commercial center.

President Goulart soon returned to the attack. He refused to support senior naval and marine officers who ordered 3,000 navy and marine enlisted men mutinying in support of the president's "Social Reforms" back to their quarters. Thereupon armed forces officers began consultations which led directly to the coup of March 31.

Following the president's overthrow, a reported one million demonstrators, including large numbers of supposed middle sector liberals, flooded the streets of Rio de Janeiro to show their approval of the change in government. And within 12 hours, President Lyndon Johnson sent his warm congratulations, on behalf of the people of the United States, to the anti-Goulartists.

UNANSWERED QUESTIONS

The principals in the events of March 31 and early April were President Goulart, the Brazilian military establishment, and a number of state governors. From the above discussion, it is evident what President Goulart did or sought to do. What we do not know for sure at this early date is whether he deliberately pursued the policies he did in order to perpetuate himself in office through becoming a dictator, or because he had fallen into the hands of leftist extremists bent on "Cubanizing" Brazil.

The armed forces, it turned out, were the crucial element. At least until the second half of February, the army and apparently the air force, but not the navy, remained reluctantly loyal to the President. Then, immediately following the "Rally of Decisions" on March 13, the Chief-of-Staff, and now President, Humberto Alencar Castelo Branco, issued an "analysis" to "trusted" army leaders accusing President Goulart of deliberately trying to subvert constitutional government. Thereafter, the swing away from the president became pronounced—a development of which Goulart

appears to have been aware. But it was the last-minute decision of General Amaury Kruel, commander of the powerful Second Army in the state of São Paulo, to back the "revolt" that unalterably tipped the scales against the Chief Executive. Unanswered is why Kruel, who owed his appointment to President Goulart, swung over to the opposition. Rumor has it that he was forced to by his subordinate officers.

There are other unanswered questions. How many officers supported the coup in the expectation that soon after the President was ousted control of the country would be returned to civilians? This was standard operating procedure for the Brazilian armed forces. The military already had toppled governments on three occasions since 1945 and in each instance had been content to perform caretaker functions until some constitutional arrangement, or what passed for a constitutional arrangement, was worked out to permit civilian continuity in government.

How many officers espoused the idea of removing the President and returning the government to civilians while secretly entertaining the thought that it was time for the armed forces to "cleanse the nation" once and for all of "the Vargas gang" and to re-establish national morality? Encouraged by influential civilians and certain mass communications media, as for example, the very powerful newspaper, *Estado de São Paulo*, the "renovators" had been gaining strength in the Brazilian military for at least a decade. The result was that the historically responsible Brazilian military came more and more to resemble the politically-minded, institutionally irresponsible armed forces of certain of Brazil's neighbors, who feel that only they have the "national interest" in mind.

To what extent were officers moved by their concern that President Goulart appeared bent on destroying their institution? There have been numerous instances elsewhere in Latin America when the armed forces, convinced that their own welfare was endangered, moved against the legally constituted authorities.

How many officers became involved because they felt that President Goulart's foreign policy, which was alienating Brazil from the United States, was inimical to the national interest? Such a view would not justify the actions of the military, but they could expect considerable civilian approval if they acted to restore cordial U.S.-Brazilian relations.

How many in decision-making positions in the services believed that it was to the interest of both Brazil and the armed forces to continue Brazil's role in the "Hemisphere Defense System" and that President Goulart's policies militated against this?

At the time of the coup much was made of the fact that the armed forces had the full sanction of several governors, including Carlos Lacerda of Guanabara (the City of Rio de Janeiro), Adhemar de Barros of São Paulo, and José Magalhães Pinto of Minas Gerais. This was entirely true, and it was also true that the three governors had been legally elected and that they led key states in the nation's political life. Each of the three claimed that his decision was motivated by the conviction (a) that President Goulart was preparing to discard democracy, (b) that the national regime was under extreme left influence and (c) that Goulart's policies were destroying the national economy. There were reasonable grounds for the charges and they were much the same ones that were made by majority elements at the decision-making levels of the armed forces.

But one need not be a Goulartist to raise certain other points which may suggest that the trio of governors and their confederates were not moved entirely by concern for the national good. For example, each of them had presidential aspirations. For approximately 20 years, Lacerda had fought nearly everyone even remotely associated with the Vargas machine or anyone else that seemed to stand between him and the presidency, which he has been seeking assiduously for a decade. And in fact, by the fall of 1964 he was already engaged in trying to weaken the Castelo Branco government (which he helped to create), because certain electoral

proposals taken by the administration seemed to reduce his chances of being the next elected president.

Adhemar de Barros is Brazil's perennial presidential candidate and political opportunist *par excellence*. Further, Magalhães Pinto was concerned that the Goulart administration was not siphoning enough public funds into Minas Gerais to give his governorship the proper popular image.

THE U.S. ROLE?

What about the role of the United States? Washington insisted that it had no part in the revolt. This was undoubtedly technically accurate but it was not truly correct in practical terms. The United States is simply too important in this hemisphere to be neutral on any major issue. Also, as suggested above, the withholding of financial assistance from Brazil may have had a definite influence on the course of developments. Moreover, the unusually quick and warm "congratulations" sent by President Johnson to the interim government inevitably bolstered its position. Not to be overlooked is the possibility that enthusiastic United States reaction (which carried with it implied promises of aid) may have come as such a welcome surprise to the Brazilian armed forces that they decided to retain power rather than to turn the government over to civilians as had been their customary practice. Anti-United States elements in Brazil and elsewhere are going to continue to ask, "Did the United States quickly align itself with the revolutionaries so that it could assist them in case of a countercoup by Goulartists?"

Following the coup, there were approximately two weeks of intense political and legal maneuvering. Then 65-year-old General Castelo Branco, who as Chief-of-Staff was constitutionally ineligible for the office, was named by the national congress to serve out Goulart's term, which was to run to January, 1966. Subsequently President Castelo Branco's tenure was extended to March, 1967, to give him time "to carry out the objectives of the revolution."

Before Castelo Branco was named, the revolution had lost some of its luster. An "Institutional Act" prepared by the "Revolutionary Command" composed of the three military ministers, commanders of the four regional armies, and the Chief of the National Security Council, and put in force on April 9, placed Brazil under the sternest rule it had known in years and cleared the way for military investigators to stage a full-scale "Red" hunt. Before mid-June, 10,000 individuals had been caught in their snare and approximately 300 persons had been deprived of their voting rights and eligibility for public office for 10 years. Included in the 300, in addition to known Communists and Communist sympathizers, were such important non-Communist public figures as ex-presidents Jânio Quadros and Juscelino Kubitschek and SUDENE director Celso Furtado, whose crimes were that they were associated in some way with Vargas or tended to support his social-economic "philosophy."

In the course of the "clean-up," state legislatures and municipal councils were purged as were labor unions and student organizations. The national ministry of education, long considered by many a hotbed of communism and extreme leftist nationalism, was hit hard. Several governors were removed from office. Two university rectors were deprived of their posts. More than 100 armed forces officers were transferred to the reserve list. The home of the Archbishop of Recife was raided. There was limited press censorship. A National Information Service, which could easily become a bureau of investigation, was established.

Unless the Red hunt is renewed, the worst had ended by June 15. To the credit of the hunters, they used violence sparingly and the judicial system was somehow kept reasonably intact, although the courts refused to review the actions of the "investigators for the revolution." And, while many non-Communist leftists suffered perhaps unjustifiably, the purge, thanks apparently to the president, was kept from being carried to the extremes desired by certain highly placed military men such as War Minister Artur da

Costa Silva, politicians such as Carlos Lacerda, and mass media such as *Estado de São Paulo*. There are, consequently, prospects that should the regime attempt to reestablish democracy, it could expect some support from the vital non-Communist left.

The Institutional Act, which expired in October, also gave the president some powerful weapons. For example, his proposals had to be acted on by congress within 30 days of presentation or they passed into law without congressional approval.

The administration has not used its special powers to undertake anything of a radical nature in the social-economic field. It has, in fact, performed much as it was expected to, given the moderate-to-conservative nature of its key personnel and the sensitivities of special interest groups with which it has felt obliged to work.

Up to the writing of this article, the administration's social-economic measures have reflected the thinking of Planning Minister Roberto Campos, former Ambassador to Washington and an economist whose views coincide closely with the basic social and economic policies of the Alliance for Progress. One of Campos' firm convictions is that private capital should play a greater role in Brazil's economic development than it has in recent years.

His first efforts were directed to curbing the inflation which is deeply embedded in Brazil. His measures in this area have been traditional. He has removed subsidies on wheat, petroleum and newsprint in an effort to reduce central government deficit spending, which he considers a principal source of inflationary pressure. He has sought, but with very limited success, to hold down wage rises. Campos has instituted reforms designed to encourage private capital to play a major role in the government program to build 500,000 low and middle-priced housing units. Major tax and banking reforms are reportedly in the works but the regime's first major efforts to raise revenues hinged on the sales tax approach, which has been popular in post-World War II Brazil.

The regime has made a decided effort to

improve Brazil's economic image abroad. It has accepted full responsibility for the nation's foreign financial obligations. It has modified the law of January, 1964, governing the remittance of profits overseas, one of Goulart's actions which had frightened off considerable private capital. It has agreed to settle, on acceptable terms, the differences arising from the expropriation of certain foreign-owned utilities by the Goulart government. It has assured new private foreign capital of just treatment. And by late September, 1964, there were indications that foreign capital and Brazilian flight capital were returning to the country.

In what has become a tradition since World War II, the regime has warned all of Brazil's creditors and friends that the nation must have credit in massive amounts if Brazilian democracy is "to be preserved." "To be recovered" would seem more appropriate. And it might be added that although Brazil's friends appear to recognize the nation's economic plight, they have not leaped to its assistance as rapidly as Brazilian officials had led themselves to expect. During the summer of 1964, Brazil's creditors made arrangements for Brazil to stretch out the payments due on Brazil's foreign debt. As of October 1, the United States had made loans totaling \$135 million (plus \$95 million worth of commodities). While these were impressive loans they represented only a relatively small share of what Brazil feels it needs to get its economy primed. As a result, President Castelo Branco's advisers were becoming somewhat desperate and Brazilian newspapers were asking what Brazil had to do to qualify for assistance.

As noted above, during his last weeks in office President Goulart had made land redistribution a major goal of his administration and actually decreed an agrarian reform law but without legislative provisions for financing it. The new administration repealed that law immediately on the grounds that it constituted a threat to public property. Less than a week later the congress passed a new agrarian reform bill which made no changes in the federal constitution in regard

to indemnification for any lands seized under the law. In the past, the amount of land redistributed under this provision has been insignificant compared with what the needs are believed to be. Later, Campos proposed a graduated tax on idle land, a proposal which brought a storm of protest from the large landholders, who are powerfully represented in the congress.

In the field of foreign relations, the Castelo Branco administration first brought to an abrupt halt Brazil's drift away from the United States and then reaffirmed the nation's traditional close cooperation with the United States in hemisphere matters. The transformation in foreign policy was evident in a number of areas. A Czech diplomat was expelled on charges of espionage activities. Members of a Communist China mission were placed under arrest. On May 12, Brazil broke relations with Cuba, charging that Cuban agents were interfering in the national affairs of Brazil. On the third anniversary of the launching of the Alliance for Progress, President Castelo Branco sent President Johnson a message praising the program. President Goulart, in contrast, had made it a point never to mention the *Alianza* by name in public. The about-face in Brazil's foreign policy as it affected the hemisphere was completed when, in late July, 1964, Brazil joined 14 other hemisphere nations in voting trade sanctions against Cuba and supporting a resolution that members of the Organization of American States should not maintain diplomatic relations with Cuba.

No one can be sure what the future holds. President Castelo Branco is considered sincere, but he has taken on a most difficult assignment. The public is rapidly becoming
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Finding "ground for hope that things might at last be looking up for Argentina in its political as well as its economic life," this historian underlines the fact that President Illía is a nationalist and that difficulties with the United States will probably continue.

Argentina: Struggle For Recovery

By ARTHUR P. WHITAKER

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ON OCTOBER 12, 1964, 63-year-old country doctor Arturo Illía completed his first year as president of Argentina amid tentative signs that this nation of 22 million people might at last be on the road to recovery from assorted ills—ills that had for many years kept Argentina in a turmoil and stunted its once rapid economic growth. When Illía took office, the chief contending factions were Argentina's two main power groups: the armed forces, who had just ended an 18-month dictatorship; and their quondam allies in the regime of Juan Perón (1946–1955), the Peronist workers who dominated the nation's largest labor organization, the General Confederation of Labor (C.G.T.) and its 2.6 million members. Ever since Perón's overthrow, the workers had sought to maintain and extend their boasted "social conquests" of the Perón period, but the armed forces had resisted. The conflict was political as well as economic and social, and extremists on both sides threatened to make it irreconcilable. Fortunately for the rest of the people—the majority—neither faction was monolithic, and the fissures in each let in a ray of hope for ending the suicidal struggle.

President Illía gave the termination of this struggle top priority from his first day in

office. His inaugural address urged reconciliation as a prerequisite to coping with the country's grave economic and financial problems and balanced warm words for the military with a call for redistribution of the national income in favor of the workers. In support of his position he cited recent papal encyclicals, *Mater et Magistra* and *Pacem in Terris*. He also sought to conciliate other sectors, for example, by promising better treatment for the provinces, whose interests had been sacrificed in favor of the federal capital. His only challenge was hurled at foreigners. In accordance with his campaign promises, he announced that he would annul the contracts made by the administration of President Arturo Frondizi (1958–1962) with foreign companies for the development of Argentina's petroleum resources. These, he declared, would be restored to the full control of Argentina's state petroleum agency, *Yacimientos Petrolíferos Fiscales* (Y.P.F.).

For several weeks the new president's efforts at pacification seemed to make headway as he pushed forward along the lines indicated in his inaugural address. Although he initiated steps to extradite Juan Perón from Spain on criminal charges,¹ he eased up on the Peronists in Argentina, permitting them to hold a legal celebration of their "victory" day, October 17,² for the first time since Perón's overthrow. President Illía also continued to promise the workers early relief

¹ The effort to extradite Perón has not succeeded up to the present writing.

² The date of Perón's crucial victory over his opponents in 1945.

and long-range betterment, and for a time they waited.

PETROLEUM CONTRACTS

Most important of all, however, was his prompt fulfillment of his promise to annul the petroleum contracts with foreign companies. Issued on November 15, 1963, the cancellation decrees left the settlement of the government's financial claims and the companies' counterclaims to judicial determination by the courts of Argentina. There were about a dozen such contracts, most of them with United States firms. They had been made at different times, beginning in 1958, and in different terms, but in general it was alleged that they had been negotiated illegally, had contained illegal concessions to the companies in such matters as tax exemptions, had infringed upon the prerogatives of Y.P.F., and had proved too costly and injurious to Argentina's national interests.

No one could deny that the contracts had led to a great increase in Argentina's petroleum production, thus easing the ever-acute balance of payments problem, but they were just as clearly an offense to the national pride of many Argentines, probably the great majority of them. Conversely, the cancellation was applauded by Argentine nationalists of all kinds—and most Argentines are nationalists of one kind or another. To be sure, it created a troublesome problem with the United States, but that will be discussed later.

Unfortunately for President Illía, the political advantage that he had won by the nationalist appeal of cancellation was soon offset by mounting prices and unemployment. On December 8, 1963, the Argentine congress was called into extraordinary session to take remedial measures. Attention centered mainly on a proposed Law of Supply (*Ley de Abastecimiento*) which would give the government extensive control over the economy with a view to assuring an adequate supply of goods and services at reasonable prices. Ultimately (in February, 1964), the law was passed, though in a modified form; but in the meanwhile labor leaders had lost patience.

On December 18, the C.G.T. congress

warned that "methods of force" might be employed by the workers unless the government took effective action by January 15. What the C.G.T. considered effective action had been indicated shortly before in a list of remedial measures proposed by its secretary-general, José Alonso. These ranged from price controls, a minimum monthly salary, and the elimination of unemployment (which Alonso estimated at 900,000, or 10 per cent of the labor force), to the nationalization of natural resources and bank deposits and participation by the workers in plant management.

THE "BATTLE PLAN"

When the January 15 deadline passed without a satisfactory response from the government, the C.G.T. began to put into effect by stages its "battle plan" (*plan de lucha*), the origins of which go back at least as far as the tumultuous months in 1962 following the armed forces' cancellation of a Peronist victory at the polls and the ouster of President Frondizi. The climax came in May and June of 1964, when the workers, unannounced, took over selected plants and transportation facilities for brief periods, in a kind of non-violent guerrilla action designed to provide a convincing demonstration of organized labor's power. Alarming though this plan was to employers and the general public, its chief of operations, Augusto Vandor, head of the powerful Metallurgical Workers' Union (250,000 members), is said to have aimed only at improving labor's lot within the existing order, whereas his chief rival, Andrés Framini, head of another strong union, the Textile Workers' (150,000 members), was openly calling for a social revolution.

The May-June crisis could easily have become much more serious but for a number of moderating factors. President Illía, obviously sympathetic to the workers, asked them for time; he resorted to the courts rather than relying on force in maintaining order. The Archbishop of Buenos Aires, Antonio Cardinal Caggiano, urged moderation and comity on workers and employers alike. And a sub-

stantial minority of moderates in the C.G.T. opposed further execution of the "battle plan," which they charged was being exploited for political purposes, to the injury of labor's true interests. In their view, Illía's administration had done enough to show its good will and needed more time.

In fact, a good deal had been done, but the pace was not nearly fast enough to satisfy the C.G.T. majority. The slowness of the government's pace is easy to understand. For one thing, massive resistance to labor's demands in management and other circles was stiffened by the merging of the labor problem with the political problem of Peronism and Perón. Hostility to the movement and its leader was particularly strong in the armed forces, which had given up direct political control at Illía's inauguration but still asserted a role as guarantor of the constitution and final arbiter of political disputes.

Yet divisions within the armed forces made it difficult to foresee how they would act in any given situation. Thus, Illía's administration had the support of most of the dominant "Blue" or moderate faction, headed by the army's commanding general, Juan Carlos Onganía. But another Blue general, Carlos Rosas, led a small but potentially significant group of officers and noncommissioned officers, called Nasseristas,³ who preached left-wing nationalism resting on popular support but under military guidance. In addition, the "Reds"—a militant anti-Peronist faction—were still strong and there was still the usual quota of interservice and personal rivalries, aggravated by President Illía's proposal to reduce and reform the armed services.

Another retarding factor, and one of the most important of all, was that Illía was a minority president and his party, the People's Radicals (*Unión Cívica Radical del Pueblo*),

³ In reference to Nasser of the United Arab Republic. This was a sort of homecoming, for Nasser is said to have modeled his system in part on Perón's in Argentina.

⁴ The law prohibited naming a party for an individual, but "Justicialist" was virtually synonymous with "Peronist," for "Justicialism" had been the official doctrine of the Peronist regime in its last six years.

held a bare majority in the Senate (24 to 22) and only 73 of the 192 seats in the Chamber of Deputies. Illía's government therefore rested essentially on a coalition or on shifting alliances, with all the attendant weaknesses. These were compounded by the fact that the other parties were no exceptions to the rule of fragmentation prevailing in Argentine public life, for they too were internally divided and, in that sense, unreliable. The largest of them, the Intransigent Radicals (*Unión Cívica Radical Intransigente*), was also Illía's party's worst enemy. One of its factions, led by ousted President Arturo Frondizi, sought to revive the alliance with the Peronists that had enabled him to win the election in 1958.

In view of this complex situation, characterized by universal fragmentation, unstable alliances, and wheels within wheels, it is not surprising that the chief effects of the May-June crisis over the "battle plan" were felt within the labor-Peronist ranks themselves. There it helped to consolidate the Vandor group's control first of the C.G.T. and then of the reorganized Peronist party.

THE JUSTICIALIST PARTY

In July, the Peronists' energies were diverted from the "battle plan" to the political problem of party reorganization. When Vandor won by a wide margin in the fight for delegates to a national convention, Framini withdrew his delegates and proclaimed himself the leader of a revolutionary Peronist movement. Dominated by Vandor's forces, the convention met on July 28 with government approval. After listening to the reading of a letter from Perón urging party unity, it founded the new Justicialist party,⁴ and made Perón its president.

Ever since 1955, the Peronists, though permitted to vote, had been prohibited from organizing their own parties and political campaigns, except in February, 1962, and on that occasion their victory in ten provinces had provoked a military coup, the cancellation of the elections, and the restoration of the ban. However, the new Justicialist party expected that the ban would be lifted again before the next election in 1965.

There was growing public sentiment, shared by President Illía, in favor of lifting it. One reason was the conviction, based on nine years' experience, that order and progress could never be achieved while the big Peronist bloc (one-fourth or more of the total adult population) was denied equal political rights with the rest of the nation.

Perhaps more to the point, the risks entailed in granting the Peronists such equality appeared to have been greatly reduced by three recent developments. First, the adoption of proportional representation in 1963 made it impossible for the Peronists to repeat their victory of February, 1962. Then, their 35 per cent of the total vote had been enough to make them the winners in ten provinces (including the largest, Buenos Aires), due to the plurality system then in force and to the division of the anti-Peronist vote (65 per cent of the total) among several different parties. Second, the strength of the Peronist movement had been substantially diminished since early 1962, mainly as a result of the intensification of the internal discord from which it had always suffered.

Third, there were signs of an incipient economic recovery that would dampen the appeal of Peronism. This is not to imply that Argentina's economic troubles were over. Yet at least in the field of foreign trade, which accounts for about one-fourth of Argentina's national income, things were picking up. In May, President Illía reported that, in the first quarter of 1964, the country's already exceptionally large 1963 favorable trade balance had grown to the largest in 25 years; no let-up was in sight, and gold reserves were rising. For the economy as a whole in 1964, Illía predicted a sharp rise in the annual growth rate to 6 per cent.

Moreover, Argentina's export trade position was being strengthened by a diversification which at least diminished its excessive dependence on a handful of agricultural and pastoral products sold to a handful of countries, notably Great Britain. Italy became Argentina's largest customer; substantial sales were made to countries with which Argentina had formerly had little or no trade,

among them Greece, Poland, Yugoslavia, Czechoslovakia, the Soviet Union and Japan; and manufactures now accounted for a growing, though still small, proportion of total exports.

In this situation, the hold of hard-line Peronism over the masses seemed to be weakening, though it was by no means completely loosened. Two incidents in October, 1964, illustrate the point. Early in the month, President Charles de Gaulle's tour of South America took him to Argentina. Avowedly as a rehearsal for the main performance that was to come later on the October 17 anniversary, Peronist leaders organized and carried out rowdy demonstrations that equated the French President's advocacy of a "Third Force" in international affairs with Perón's "Third Position" and celebrated Perón rather than de Gaulle. On the first day the well-organized Peronist shock troops made a rather impressive show of force, but thereafter the police kept them well in hand and, significantly, the great majority of the Argentine people seemed to be only bored or irritated by the goings-on of what turned out to be a small fraction of the population.

Even more disconcerting to the Peronist agitators was the fizzle of their big show on October 17. According to a *New York Times* report from Buenos Aires, only 100,000 persons turned out for this demonstration, instead of the million predicted by its organizers, and the best efforts of the latter failed to whip up anything like the *descamisado* frenzy of earlier days. The high point was to have been reached in the reading of a taped address by Perón, but this was little more than a weakened repetition of his promise to return to Argentina before the end of 1964. The contrast with the celebrated October of 1945 could hardly have been more striking, and it was heightened further by the fact that the anti-Peronist military did not even find it necessary to leave the barracks.

Both October demonstrations appear to have been mainly the work of the champion of revolutionary Peronism, Andrés Framini, who was trying to recapture control of the movement. If he had succeeded, the result

might well have been to provoke a counter-stroke from the anti-Peronist majority of the Argentine people, led by the armed forces. Framini's failure gave ground for hope that things might at last be looking up for Argentina in its political as well as its economic life.

FOREIGN POLICY

Argentina's foreign policy during Illía's first year was marked by a nationalism which was moderate on the current Latin American scale; by support of the free world on political and security questions (but insistence upon developing economic relations with all peoples, including Communists); and by a tendency to identify Argentina with the developing nations, especially those of Latin America (despite fresh troubles with Cuba and Chile).

Several incidents illustrated one or more of these features. In October, 1964, Argentina was one of seven Latin American states represented by observers at the conference of nonaligned nations in Cairo. Early that year a Latin American meeting was held under Argentine auspices at Alta Gracia, in the province of Córdoba, to agree on common action at the approaching United Nations Conference on Trade and Development in Geneva. A common front was maintained at the Geneva conference, in concert with the developing nations of Asia and Africa, but without much success in its chief objective, the stabilization of commodity prices.

Likewise, during the protracted controversy from February through July, 1964, over the question of imposing sanctions on Fidel Castro's Cuba for its incitement of subversion in Venezuela, Argentina's main effort was aimed at maintaining Latin American solidarity. When this effort failed at the meeting of American Foreign Ministers in Washington late in July, Argentina joined with the majority in voting sanctions, over the opposition of Mexico, Uruguay, Bolivia and Chile. By this time evidence had come to light that Cuba was promoting subversion in Argentina, too, mainly by shipping arms to guerrilla forces in the mountainous northwest, near Salta. But Illía's government, instead

of filing charges against Cuba, as Venezuela had done, responded by seeking appropriate military aid from the United States, which was quick to provide it.

This, however, was the only aid that his government obtained from the United States, which had been disturbed considerably over the cancellation of the petroleum contracts. In some respects, President Illía followed a less nationalistic policy than might have been expected from his presidential campaign speeches. He did not, for example, carry out his promise to "emancipate" Argentina from control by the World Bank and the International Monetary Fund. With foreign private investors turning a cold shoulder on unstable, "radical" Argentina, the aid of these international agencies was essential for vital needs such as an increase in electric power production to cope with perennial power shortages in Greater Buenos Aires. On the cancellation issue, however, Illía made no substantial concession. New petroleum contracts, he said, might be made with foreign companies, but only on terms that left Y.P.F. in complete control of Argentina's petroleum resources.

The United States was equally unyielding, and as a result the flow of its aid to Argentina was reduced to a trickle of military assistance against subversion. Under President Fron-

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Noting that in Chile, "the Christian Democrats have come to power on a wave of voter frustration," this specialist emphasizes the fact that "The Chilean Christian Democrats are associated with other Christian social parties, but they are neither so moderate nor so pragmatic as their Western European counterparts."

Chile Enters a New Era

By DONALD W. BRAY

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ON NOVEMBER 3, 1964, the presidential sash was passed from Jorge Alessandri to Eduardo Frei and Chile embarked upon a new phase in its national life. The stage had been set for sweeping change by the presidential balloting of September 4 which resulted in a thumping repudiation of both the political right and the traditional Chilean center. Political power had devolved upon an ambitious reform party, the Christian Democrats, who promised a frontal assault on the social and economic deformities which plague Chile.

The Christian Democrats have come to power on a wave of voter frustration which has been building up for many years, especially since 1952. Chile's two long-standing parties of the right, the Liberals and Conservatives, surrendered the presidency to the middle-class-oriented Radical party during the 14-year period from 1938 to 1952. By 1952, the Radicals had developed a more elaborate and extensive party organization, had acquired a more numerous bloc of representatives in congress, and had won more adherents among government workers than any other party. Despite its seemingly established place in Chilean political life, the Radical party was sharply repudiated by voters in 1952, a setback from which it may never recover. The fundamental reasons for the decline of the Radicals were the prevail-

ing economic stagnation and the chronic inflation that heightened the distress of the lower and middle income groups.

In a mood of desperate and naive expectation, Chileans overwhelmingly voted in 1952 for General Carlos Ibáñez, "the General of Hope." Ibáñez was elected even though he had ruled as a dictator between 1927 and 1931 and although he did not enjoy the support of any of the traditional political parties in 1952. Instead of bringing recovery and progress, the Ibáñez' years, 1952 to 1958, brought retrogression and deepening frustration.

At the outset of his administration the Radicals, stunned by Ibáñez' defeat of their presidential aspirant, Pedro Alfonso, had announced a policy of not supporting the General in congress *under any circumstances*. Ibáñez was unable to put together any supportive coalition in congress which lasted for more than a few months at a time. He changed members of the cabinet frequently in response to continual and intense criticism and during his six years in power appointed the incredible total of 135 cabinet ministers!

President Ibáñez did not develop effective programs with which to confront pressing national problems. His administration was a patchwork of impromptu and often arbitrary government activity. Inflation accelerated and in some years the cost of living increased

by more than 50 per cent. In 1957, the worst Chilean rioting and looting of the twentieth century erupted in Santiago, sparked by an increase of a few cents in bus fares. Government corruption, traditionally uncommon in Chilean public life, assumed the proportions of a major problem. The country was experiencing a psychological depression which undermined individual and national confidence, and sapped the determination to overcome economic and other difficulties. Pessimism and stagnation at home led to a "brain drain" of Chilean technicians who sought employment in foreign countries and in international agencies.

THE 1958 ELECTION

By 1958, the political party pattern which Ibáñez had temporarily disrupted had re-emerged, and voters were presented with a field of candidates who ranged across the political spectrum. Representing the right was Jorge Alessandri, a wealthy oligarch. Luis Bossay was the lackluster candidate of the Radicals. Eduardo Frei represented the fast-rising Christian Democratic party (P.D.C.) and Socialist Salvador Allende was the standard bearer of a recently formed Socialist-Communist coalition called the F.R.A.P. Alessandri finished first with 31 per cent of the vote, followed closely by Allende. Frei was third and Radical Bossay finished a disappointing fourth.

The campaign image that Alessandri projected was similar in many ways to that which had been advanced by Ibáñez, i.e., a father figure, incorruptible, austere, and above the "*politiquería*" (petty politics) which had long characterized the Chilean congress.

An interesting feature rising from the Alessandri regime was that although the president failed to improve substantially economic and social conditions, as a person he won and retained the respect of the Chilean people. This respect was symbolized by the fact that the president habitually walked unescorted from his apartment to his office through downtown Santiago without mishap. His integrity and seriousness were never called into question.

What was called into question by Chileans was the existing social and economic structure and the probability of reordering that structure without considerable political innovation and initiative. Under Alessandri no drastic political reforms were undertaken. Perhaps the closest Alessandri came to instituting a structural reform was the passage in 1962 of a modest land reform act. The law was designed to create a rural middle class rather than to provide land for the country's large number of landless peasants. Down payment requirements for the purchase of rural property meant that only a few persons engaged in agriculture could take advantage of the reform law.

Alessandri's central concerns were holding the line against inflation and increasing the production of goods and services. He enjoyed rather remarkable success at first in reversing the inflationary excesses of the Ibáñez period and, during 1960, the cost of living increased by only 5.4 per cent, which is unusually low for Chile. In 1961, the figure moved up to 9.7 per cent and it jumped to 28 per cent for 1962. During Alessandri's last two years in office (1963 and 1964), however, there was an inflationary burst which almost doubled the cost of living.

From the standpoint of gross national product the Chilean economy experienced only moderate improvement under Alessandri. His efforts to brake inflation after assuming office contributed to a recession that saw a decline in growth of GNP from 3.8 per cent in 1958 to only 2 per cent in 1959. After that year, improvement occurred and during 1962 the GNP grew by 5.2 per cent, the highest figure in 22 years, which represented a 2.6 per cent gain per capita after allowance was made for the annual population growth of about 2.6 per cent.

The gains were denied to wage earners, though, because of inflation and it appears that real wages remained stagnant or declined during Alessandri's period of power. Half the population remained undernourished; 500,000 school children lacked classrooms; 400,000 housing units were needed. Unemployment was still severe, reaching 20

per cent in some communities; the rate of infant mortality was one of the highest in the world. Latifundia still prevailed and agricultural production remained low, necessitating the importation of food. In 1964, Chile turned its public attention to two leaders who promised dramatic changes: Salvador Allende and Eduardo Frei.

THE CAMPAIGN OF 1964

Both men were skilled and veteran political campaigners. Both were senators and had served as cabinet ministers. Allende had been a candidate for the presidency twice before; Frei, once before. Both promised to bring about a peaceful revolution within the legal and constitutional order. The two major issues upon which they differed during the presidential campaign were the regulation of the copper industry and relations with the United States.

Copper, which is the pivot of the Chilean economy, accounts for fully 60 per cent of the foreign exchange which the country earns. Approximately 85 per cent of the industry is owned by the two large United States companies, Anaconda and Kennecott. Allende advocated nationalization of the American mines. His principal economic advisor, Max Nolf, maintained that the United States copper companies had received \$9 billion in profits (more than the current value of all property in Chile) over a 50-year period from an original investment of only \$3.5 million. Allende asserted that if the mines were nationalized, production would be expanded and the mines would make a larger contribution to the national economy.

Frei, on the other hand, held that nationalization would lead to unsalable surpluses because it would cause a loss of foreign markets and would impose a staggering financial burden of compensating the foreign mine owners. In place of nationalization, Frei advocated "Chileanization," i.e., direct government participation in the management of the mines with an eye to forcing produc-

tion up to an annual rate of one million tons. (Current output is approximately 600,000 tons.) In addition, Frei called for increased taxation for the American mines.

Frei charged that Allende would needlessly jeopardize Chile's good relations with the United States by his strong praise of the Cuban Revolution and his intention to nationalize the United States-owned copper mines. Actually, on the Cuban question, the two candidates held some views in common. Frei personally opposed the action of the O.A.S. in voting diplomatic and economic sanctions against the Cuban government in 1964. The P.D.C. favored an effort to bring Cuba back into the hemisphere family of nations, and pressed for the extension of relations to all Communist bloc countries.

A GROWING ELECTORATE

A noteworthy feature of the presidential election was the dramatic expansion of the Chilean electorate. Both the F.R.A.P. and the P.D.C. carried out concerted programs to encourage eligible voters to register. Whereas only 1.5 million persons were registered to vote in 1958, the number exceeded 3 million in 1964. These new voters were mostly from the lower socio-economic groups and could be expected in future elections to support centrist and leftist candidates.

The Chilean presidential election of 1964 was one of the most significant in the history of Latin America. For the first time there was a strong possibility that a Marxist might come to power as the result of a free and fair election. When a by-election in March, 1964, in the traditionally conservative province of Curicó, was won by an Allendist candidate, most observers believed that the contest between Frei and Allende would be extremely close or that Allende enjoyed a slight lead. That Frei finished as strongly as he did—he received approximately 56 per cent of the vote, Allende 39 per cent, and Radical candidate Julio Durán¹ only 5 per cent—was probably due in large part to a successful effort by the P.D.C. and the Chilean and international press to depict Allende as the "Communist candidate." Although he had the support of

¹ The Liberal and Conservative parties at first backed Durán, but later decided to withdraw this support in the hope that their followers would vote for Frei and prevent the election of Allende.

the Chilean Communist party and although he considered himself a Marxist, Allende and the Socialist party to which he belongs would probably not have violated the constitutional order had they and the Communists won the elections.²

The chance of a Marxist victory was not the sole basis for the election's extraordinary import—the result was destined to be epoch-making whichever candidate triumphed. Victory for the Christian Democrats meant not only a new chapter in Chile, but also a surge of expectation and probably advancement for Christian Democratic parties in several other Latin American countries. The most politically prominent of these, the C.O.P.E.I. Party of Venezuela, decided as a result of Frei's election to alter its position; instead of supporting the ruling Venezuelan party *Acción Democrática*, it decided to steer an independent political course in the expectation of having a leader of C.O.P.E.I. elected to the presidency in 1969. Christian Democratic parties in the other countries are at present small, but some may well become—depending in part on the success of the Christian Democrats in Chile—contenders for political power.

CHRISTIAN DEMOCRATIC STRENGTH

Nowhere in Latin America has a political party ever come to power so well prepared as the P.D.C. from the standpoint of developing in advance specific plans to meet particular problems. The P.D.C. began in the 1930's as a breakaway movement of idealistic and aroused young Conservatives who founded the *Falange Nacional* (the name of which was changed to the Christian Democratic party in 1957). During the 1940's and 1950's, the movement attracted what was probably the most distinguished group of intellectuals of any party in Chile. Eduardo Frei, one of the founders of the party, was the author of articles and books of such quality and quantity as to make him the

principle doctrine-maker for Christian socialism in the hemisphere. Many other fertile Chilean minds joined Frei in preparing the intellectual ground for the 1964 harvest of power: Rodomiro Tomic, Bernardo Leighton, Roger Vekemans, Alejandro Magnet, Jaime Castillo, to mention only a few.

The Chilean Christian Democrats are associated with other Christian social parties, but they are neither so moderate nor so pragmatic as their Western European counterparts. Throughout their political life they have concentrated their attacks on the right, the "oligarchy," and have endeavored to project themselves as a leftist movement. They have frequently cooperated in congress with the F.R.A.P. and in 1958 helped restore legality to the Chilean Communist party, which had been outlawed in 1948. Although their following was for a long time largely middle class, in recent years they have been quite successful in broadening their social base by winning adherents among the working class throughout the country.

In their writings, the Christian Democrats reject both communism and capitalism as undesirable forms of social and economic organization. Communism is criticized as "totalitarian" and "undemocratic." Capitalism is alleged to be "merciless" and "degrading of human dignity." Their party symbol is a vertical arrow which pierces through two horizontal lines, one representing Communism and the other capitalism.

The system they would construct is the "communitarian" society in which the interests of labor and management "become the same." They do not accept the Marxist dictum about the inevitability of class conflict. They believe that they can harmonize class interests by giving labor a voice in management. They do not foresee in Chile a completely socialized economy, but a mixed system of private, public and cooperative ownership. If the private sector proves to be an inadequately dynamic element in the economy, they will seek to stimulate it into greater productivity by government assistance and pressure. Precisely what form this assistance and pressure will take remains for the

² For a more detailed discussion of the character of the Socialist and Communist parties in Chile see Donald W. Bray, "Chile, The Dark Side of Stability," *Studies on the Left*, Vol. 4, No. 4, Fall, 1964.

future to determine. During the presidential campaign, the P.D.C. played down talk of increased taxes and business reform to avoid frightening the business vote.

One of the things that sets the P.D.C. apart from most other democratic reform movements that have appeared in Latin America is that the P.D.C. is prepared and probably able to guarantee personal integrity on the part of its leaders and government officials. This was not true, for example, with the A.P.R.A. party in Peru or the *Acción Democrática* party in Venezuela. In part, the high moral tone in the party reflects the religious inspiration of its political doctrines and the sense of mission and dedication of its central leadership.³

If Frei is unable to accomplish his "revolution," the reason will not have been that he was ousted by a *coup d'état* or menaced by a balky military. In Chile, the army has abandoned the practice of making and unmaking presidents, a role it has little exercised even in the past. If Frei fails it will be because of the deadening drag of encrusted institutions. There is the burden of Chile's stagnant economy which is one of the most monopolized in the world. In the private sector, economic power is concentrated among a few interlaced financial and industrial combines. Collectively, they form the social as well as economic élite and enjoy a strong reservoir of political supporters in congress, particularly among Liberal, Conservative and Radical senators and deputies. The fact of monopoly would not of itself necessarily preclude economic development, but it is in Chile a contributing element in a complex of impedimenta to economic growth.

Other problems include weak consumer demand, a chronic and continuing shortage of credit for investors, an undynamic entrepre-

neurial class, a weak capacity to import, a staggering foreign debt of \$1.7 billion, overreliance on copper for the acquisition of foreign exchange, an extraordinarily low and stagnated agricultural output, and persistent runaway inflation. A Chilean government that rationalizes and vitalizes the national economy will be stalwart, indeed.

A further barrier is Chile's social system, under which there is little upward movement from lower into middle class status. The lower 75 per cent or so of the population is, in effect, frozen in position by psychological, social, economic and educational barriers which deny the nation access to the potential talents of the majority of the population.

Another obstacle to progress is the organization and character of the government bureaucracy. Chile has developed a parody of a welfare state, under which the principal beneficiaries of the system are the officials who administer the various welfare programs. Numerous government employees administer pension funds which evaporate in administrative costs and inflation. Chile has a largely political bureaucracy, politically protected in congress. When President Alessandri attempted to introduce efficiency into the government service, he was told that serious tampering with the bureaucracy would cost him the support of the Radical party in congress. Alessandri abandoned the effort.

The Chilean congress represents yet another potentially serious obstacle to Frei's reform plans. While initiative for legislation in modern Chile comes mainly from the executive branch, the president cannot govern successfully without the backing of a congressional majority. Since the Christian Democrats have only a minority of congressmen in both houses, 23 out of 147 in the chamber of

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³ The P.D.C. repeatedly asserts that it is not a "confessional" Catholic party, i.e., that the Catholic faith is not its official party doctrine nor is membership in the Catholic Church essential for membership in the party. There is, however, an informal relationship between the P.D.C. and the Church and the reformist character of the P.D.C. has been strengthened by the fact that the hierarchy of the Catholic Church in Chile is young and probably the most politically progressive Catholic hierarchy in Latin America.

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As this specialist notes, "There is an important sense in which each Mexican president has an easier task than his predecessor. Social, economic and political progress has been cumulative for four decades in Mexico, so that each first magistrate of the Republic starts in a stronger position than the man he succeeds. . . ." Nonetheless, the author points out, "Díaz Ordaz will still have his work cut out. . . ."

Changing the Guard in Mexico

By MARTIN C. NEEDLER

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ON JULY 5, 1964, Mexican voters cast their ballots to elect a president who would serve for the six-year term beginning in December, 1964. The victorious candidate, Gustavo Díaz Ordaz, a lawyer and former judge, born 53 years ago in Ciudad Serdán and raised in the state of Puebla, served as Minister of Interior (*Gobernación*) in the cabinet of his predecessor, Adolfo López Mateos. It was thus to be expected that Díaz Ordaz would continue the policies of the López administration: however, he was generally believed to have been the most conservative member of the López cabinet, an impression heightened by the fact that it was Díaz Ordaz's ministry which had been responsible for the stern measures taken against agitation and direct action on the part of the extreme left.

January, 1965, thus seems an appropriate point at which to take stock of the situation in Mexico: to note the meaning of the 1964 elections—or indeed of any elections—in what has been called a "single-party democracy"; to evaluate the status and prospects of the ruling party, and of leading groups of the opposition; and to survey the economic and political circumstances in which Díaz Ordaz assumes his mandate.

Ever since it was organized in 1929, the present government party of Mexico—now called the Institutional Revolutionary Party,

or P.R.I.—has been uniformly victorious in the country's elections. This record, of which any party might be proud, was not achieved without a measure of intimidation and fraud in the early years of Mexico's experiment with democratic practices. Today, however, unfair electoral practices are met with probably no more frequently in Mexico than in the United States, and the P.R.I. gains its victories fairly and squarely. In the presidential election of 1964, this was acknowledged by the leading opposition candidate—the first time in Mexican history that a losing candidate for the presidency has formally conceded victory to his opponent.

Given the widespread acceptance of the fact that the government candidate will be victorious, why do people bother to vote, if the outcome of the election is known beforehand?

The simplest answer, and one which contains part of the truth, is that voting in Mexico is compulsory; the citizen who is not able to produce his voter's credential certifying that he has voted in the last election may find himself considered ineligible for a passport, or a license to do business, or a government job. But many Mexicans who do not expect to be legally incapacitated by a failure to vote undoubtedly cast their ballots with the feeling that they are performing an important civic duty, a feeling inculcated by

the exhortations of the campaign propaganda of all political parties. Under these circumstances over 70 per cent of the electorate—some 10 million of the 13.5 million registered—actually voted in the presidential elections of 1964.

The candidate of the P.R.I., Gustavo Díaz Ordaz, won the expected victory, polling about 89 per cent to just over 10 per cent for the runner-up, José González Torres of the Party of National Action, or P.A.N., and less than 1 per cent for extreme leftist Ramón Danzós Palomino.

The next question should logically be: Why *does* the P.R.I. always win? In the first place, one must point to the saturation propaganda campaign waged by the P.R.I. for a full year before the elections. Spokesmen for the opposition parties have alleged that the P.R.I. campaign is financed through the illicit diversion of government funds, but there seems no need to accept this charge at face value (and there is no direct evidence) since the P.R.I. disposes of the annual contributions of more than four million dues-paying members.

The P.R.I. doubtless benefits from its identification in the minds of many voters with the nation itself and with the great Mexican Revolution of 1910. The party seeks to promote the feeling that to cast a ballot for its candidate is patriotic; the colors which identify the P.R.I. on the ballots for the benefit of illiterate voters are the red, white and green of the national flag; and the members of the government which represents national sovereignty double as campaigners for the P.R.I.

The "official" party also benefits from the vast patronage resources of government, which is run in Mexico on the basis of a sort of permanent spoils system.

But perhaps most important is the fact that on balance the P.R.I. represents the policy preferences of the vast majority of Mexicans. Its policies are carefully designed to appeal to the widest possible range of voters, from conservative businessmen, to militant workers, to landless peasants, in principle a difficult feat but one in which the politicians of the

P.R.I. have had considerable experience. President López Mateos was a master at the simultaneous gratification of opposing interests, and indeed made "balance" the central theme of his statements on general policy—balance between capital and labor, balance between collective and individual rural property, balance between government and private enterprise. López Mateos created a laudable record of achievement, and left office with very great popularity.

THE OPPOSITION PARTIES

The relatively high proportion of the vote polled by the P.R.I. candidate reflected not only the normally high range of support for the P.R.I. but also the fact that Díaz Ordaz, reputedly one of the most conservative candidates that the government party ever nominated, was able to cut heavily into the potential vote of the leading opposition party, the P.A.N. The writer met moderate conservatives whose vote for Díaz Ordaz represented the first time they had marked their ballots for the candidate of the P.R.I. Díaz Ordaz also ran ahead of the P.R.I.'s congressional candidates.

Despite its defeat, and despite the margin of that defeat, the prospects for the P.A.N. are not so gloomy as one might suppose. In the first place, its representation in the national congress has increased, due to an amendment to the electoral law that provides for a limited number of seats in the chamber of deputies based on a proportional representation principle, in addition to the single-member district seats of which the chamber is in the main composed. The P.A.N. thus has 20 seats in the new chamber, the maximum allowed on a "party-list" basis despite the fact that it carried only two congressional districts. This contrasts with the six seats that were the greatest number won by the P.A.N. in the past. The provision for "party list" representation, as it is called, will obviate the unpleasant necessity which faced previous P.R.I. legislative majorities of disqualifying some of their own number for supposed violation of the election laws so that a token number of opposition deputies

could be seated, as a visible demonstration to the world of the democratic character of the Mexican system.

The P.A.N. could also take heart from some of the other tendencies that showed themselves during the campaign and electoral period. For one thing, the party's organization continued to improve, despite the fact that it is still confined principally to the larger cities. The P.A.N. stood likely also to benefit in the long run from the growing tendency of Mexicans to think in terms of the P.A.N. as the opposition party, which is related to the decline of the splinter parties discussed below. The party still experienced a great deal of difficulty in trying to convince the voters that it was not the party of pure reaction. To P.R.I. charges that the P.A.N., as the conservative party, represented big business and large landowners, the P.A.N. rejoined that big business took care to support the P.R.I. since it was the government that handed out contracts and administered the laws regulating the economy; while the only large landowners left after 40 years of land reform were former Revolutionary generals and others with government "connections."

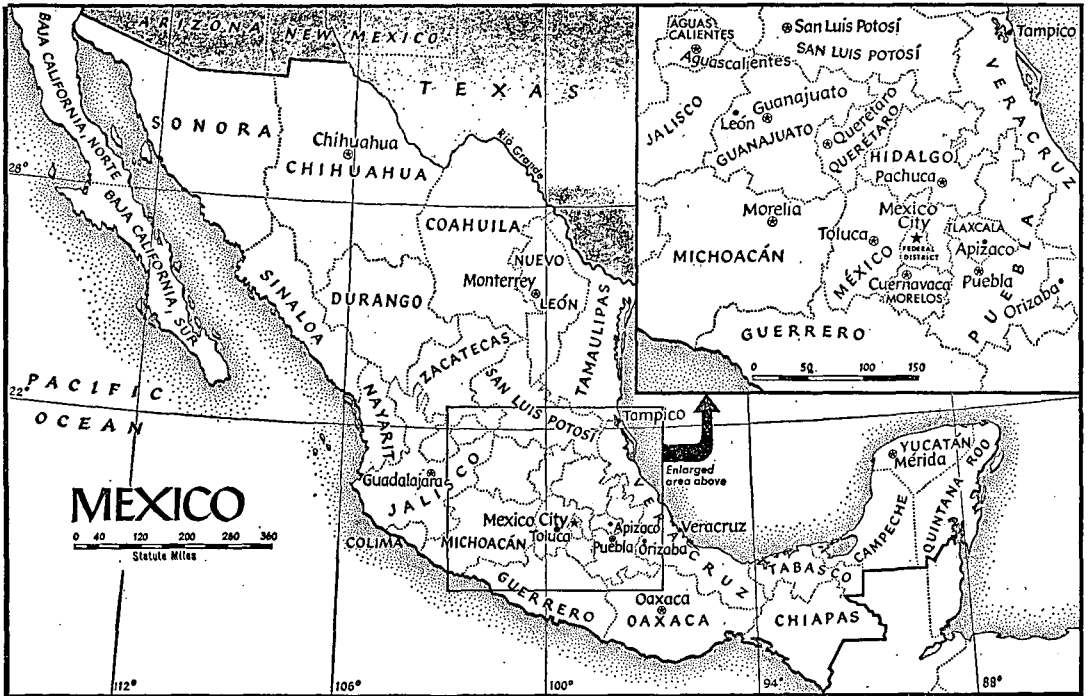
P.A.N. spokesmen took some pains to deny that the party was reactionary, referring to its ideology as Christian Democratic, and avowing that they "accepted" the Revolution. As far as the present writer can see, party spokesmen are on the whole correct in denying that support for the P.A.N. was based primarily on economic interests. The common ground among party supporters seemed rather to be a strong Catholicism, and the church school issue seemed to be the most salient question of substantive policy for the P.A.N. supporters. The major distinction of the party's presidential candidate, José González Torres, was his prominence in Catholic layman's activities; he had been president of the association of Catholic lawyers.

Two parties besides the P.R.I. and the P.A.N. ran candidates for seats in the legislature, and were actually awarded seats on the basis of a very liberal interpretation of the provision for party list representation. In addition, there was also another presidential

candidate in the field. The Popular Socialist Party, or P.P.S. continues to be headed by its founder, aging labor leader Vicente Lombardo Toledano. The P.P.S. considers itself to be on the extreme left, but Lombardo manages the difficult feat of being a fellow-traveler with the P.R.I. as well as with the Communists. In return for various forms of patronage and support—including direct subsidies, rumor has it—the P.P.S. collaborates loyally with the P.R.I., even going so far as to endorse the conservative Díaz Ordaz. Understandably, leftist skepticism about the P.P.S. has grown and Lombardo is performing his traditional function of channeling leftist sentiment in a pro-government direction less and less effectively. However, the Popular Socialists were awarded 10 seats in the Chamber of Deputies. There are some other organizations on the extreme left, and some of these, including the Mexican Communist party, which was apparently the prime mover, organized the People's Electoral Front, or F.E.P., which sponsored as presidential candidate the obscure teacher Ramón Danzós Palomino. Danzós Palomino was not even able to secure the minimum number of valid signatures necessary for his inscription on the ballot, however, so he had to conduct a pathetic campaign for write-in votes.

One of the clear lessons of the electoral campaign is that the far left continues to be weakened by its division over tactical questions and by the progressivism of government policies, and remains of small numerical significance.

Congressional candidates were also sponsored in some districts by the Authentic Party of the Mexican Revolution, or P.A.R.M., which can be considered, like the P.P.S., a satellite of the government party. The P.A.R.M. split away from the P.R.I. years ago over a now-forgotten issue and its extremely poor showing in the elections raised doubts as to whether the government party will consider it worthwhile to continue to extend patronage to the P.A.R.M. in return for its endorsement of the P.R.I.'s presidential candidates. However, the electoral law was eased to give the P.A.R.M. 5 Chamber seats.



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The outside observer may be tempted to ignore elections in a one-party system, where everyone knows beforehand what their results will be. To do this would be to miss a great deal, however, for elections in Mexico perform several key functions in the maintenance of the system. In the first place, and perhaps most obviously, they serve to make the government candidate widely known. The name, Díaz Ordaz, and his austere, strongly Indian face are today familiar in the most remote reaches of the country.

More important than simply having the candidate known, the election serves a valuable legitimating function not only in the sense that Díaz Ordaz after all won the election and received his legal mandate to rule, but also in the sense that the overwhelming visible evidences of support for the government candidate during the campaign, and the omnipresence of the party's propaganda on his behalf—with his name and the party's initials displayed on a goodly number of the houses, lampposts, and mountainsides of the Republic—served to create the ineluctable feeling that Díaz Ordaz was the natural, inevitable and rightful successor to supreme

power in Mexico. In addition, the massive demonstration of support for the P.R.I. still serves as a reminder to the opposition, if any were needed, that their continued existence is dependent on government sufferance and thus may help to moderate the virulence and bitterness of antigovernment attacks so common in other Latin American countries.

One should also note, finally, that the operation of the electoral machinery constitutes a potent instrument of citizen education. The electoral law provides for a supervisory committee of one representative of each recognized party at each polling place, so that if one includes the government officials present and the police or soldiers assigned to guard the polling station, one arrives at an estimate that approximately one out of every 17 registered voters serves in some electoral task.

The Mexicans themselves are very conscious of the civic indoctrination aspect of the election, and the conduct of the polling is generally regarded as a measure of Mexico's political maturity. The fact that the 1964 elections went off without a single incident resulting in loss of life was regarded as a triumph for the nation's civic spirit.

In assessing the significance of the election in the context of the development of Mexican politics, this is an important point. For the first time in Mexican history, the defeated presidential candidate in 1964 acknowledged that he had indeed been defeated. The pattern in the past was to allege that the elections were rigged in favor of the government candidate, although that predictable phenomenon of the 1920's and 1930's, the election-time revolt by the disappointed candidate, has long since passed from the scene.

The second point to notice is the marked tendency towards a two-party system, at least in the sense that opposition tends to focus in the P.A.N. This has been due to two partially related developments: the decline in the "satellite" parties of the P.R.I. (as their reasons for existence become less obvious to new voters) and the weakness of the left, its social and economic promises incorporated into the P.R.I. program, divided over tactical issues into several ineffectual groups, and harassed by government anti-subversive legislation.

Finally, the results of the election demonstrated that the P.R.I.'s formula for reconciling the most diverse interests continues to work; and that for the foreseeable future Mexico is likely to remain that paradoxical phenomenon, a single-party democracy.

THE CURRENT SITUATION

It was not easy for López Mateos to maintain "balance" in Mexico's foreign policy, meaning the simultaneous maintenance of friendship with the United States and autonomy of action in hemispheric and world affairs. Holding fast to its traditional principles of national self-determination and non-intervention, Mexico refused to join in a two-thirds majority of the O.A.S. voting in July to require that all members sever diplomatic relations with Cuba. Although three other states voted with Mexico, they each subsequently complied with the resolution, leaving Mexico the last Latin American state to maintain an ambassador in Havana.

Nevertheless, relations with the United States continued good, and President Lyndon

Johnson last year formalized what had been at last settled under President Kennedy—the disposition of the disputed El Chamizal section of El Paso, on terms on the whole favorable to Mexico.

A temporary solution was also reached in another matter of contention with the United States, the excessive salinity of Colorado River waters received by Mexico, which were damaging cotton-growing land near the border—although a permanent solution was not forthcoming. Likely to have a greater long-range effect on the Mexican economy was the final termination last fall of the *bracero* program, under which Mexican farm laborers were recruited on short-term contracts to work in the United States Southwest. The program had been of direct economic benefit to Mexico in the wages brought home by the returning braceros, and it had relieved problems of rural unemployment. The program had been opposed by United States labor groups, however, as undermining their competitive wage position. The termination of the program thus raised the possibilities of heightened rural unrest in Mexico and the revival of a "wetback" problem of illegal immigration of Mexican workers to the United States. The individual's prospects of entering the United States legally were slim, as the waiting list for visas in North American consulates in Mexico mounted by the middle of 1964 to more than 200,000.

In other respects, the economic legacy bequeathed to his successor by López Mateos was a good one. Income from tourism continued to increase, reaching the order of half a billion dollars a year, and exceeding foreign exchange earnings from all other sources combined. The overall growth rate rose further, reflecting especially gains in the industrial sector, and comfortably exceeding the substantial rate of population increase (between 3 and 3.5 per cent annually). Confidence in the country's strong financial position had been demonstrated by the performance of a government bond issue floated in Wall Street during 1963; demand for the bonds exceeded the offering and they were

soon selling at a premium. This confidence was reflected also in a heartening increase in domestic private investment.

At the same time, government revenues had benefited markedly from a well-conceived and executed program to improve the efficiency of tax collections; it was estimated that the number of taxpayers in Mexico rose during the López Mateos administration from 700,000 to 4.5 million. Only moderate inflationary pressures were felt, despite a deliberate maintenance of the rate of public investment through 1964, which successfully helped to avoid the usual election-year slow down in economic activity when business adopts a "wait-and-see" attitude.

It is worthy of note that under López Mateos a conscious attempt was made to try to spread the benefits of Mexico's boom at least to the urban lower classes. The program of government distribution of clothes and foodstuffs at little more than cost is well known. During 1964, also, López Mateos's program under which employees shared in the profits of the companies for which they worked took effect, along with a new minimum wage law.

The major challenge in general economic policy for the new government was to begin reduction or removal of the tariff barriers tending to over-protect Mexican industry. An accumulating surplus of foreign exchange undercut arguments that substitution for imports was necessary, and further exploitation of the very promising possibilities of the Latin American Free Trade Area, in which Mexico had already had considerable success, pointed in the same direction.

López Mateos had also made a strong record in the field of social policy. Government expenditures on education hit record levels in 1964 in the attempt to make available a minimum of six years of schooling to every Mexican child, even in the remotest regions of the Republic, and the adult illiteracy figure declined further, to 37 per cent. The opening up of new lands for settlement continued, and under López Mateos more land was distributed to landless peasants than under any president since Lázaro Cárdenas, a quarter-

century before. Nevertheless, the demand for land continued as rural population continued to increase, and Díaz Ordaz made it clear that he would consider the agrarian problem the first priority on the agenda of the new government.

Political tensions eased somewhat shortly after the election when López Mateos amnestied a group of political prisoners, of whom the most distinguished was the Communist muralist David Alfaro Siqueiros. This act, designed to give a free hand to the incoming government, removed a blot on the democratic good faith of the P.R.I. government, since the charges on which the men were convicted, and the circumstances under which they were arrested and tried, bespoke political vengeance rather than the disinterested application of the laws.

PROSPECTS FOR DÍAZ ORDÁZ

There is an important sense in which each Mexican president has an easier task than his predecessor. Social, economic and political progress has been cumulative for four decades in Mexico, so that each first magistrate of the Republic starts in a stronger position than the man he succeeds: the country's productive capacity is greater; its workers more skilled; its administrative and planning apparatus more sophisticated; its civic habits more deeply engrained.

Díaz Ordaz will still have his work cut out to meet the social and economic pressures arising out of rapid population growth and social change: demands for housing and jobs from new migrants to the cities, and for land and aid from all those who remain in the

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In addition to his work at the University of Michigan, **Martin C. Needler** has traveled and studied in several Latin American countries. He visited Mexico most recently at the time of the 1964 presidential elections. Martin Needler is the author of *Latin American Politics in Perspective* (New York: Van Nostrand, 1963) and editor and co-author of *Political Systems of Latin America*.

"The dominant force stirring in the Caribbean is nationalism," writes this specialist. "It comes from the awakening of the Caribbean communities and is far stronger than any ideological force emanating from Moscow, Peking or Washington."

The Caribbean Kaleidoscope

By THOMAS MATHEWS

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THE COLORFUL communities of the Caribbean present the contrasts and conflicts that lead one to compare this area with a continually changing kaleidoscope. On small islands, pockets of poverty in the Caribbean, an ever increasing number of inhabitants seek to eke out an existence on exhausted soil. Industrialization has touched some, like Puerto Rico or Trinidad, but others, like Cuba, have turned away from extensive industrialization. Tourism, which once offended Havana, now centers around San Juan and the northeast corner of the Caribbean. The free and easy life of the tourist, marked by glittering lights, flamboyant display and low morality, now offends the Puerto Rican and disgusts the St. Thomian or Crucian.

New nations are too hard pressed under the exuberant drive of nationalism to be awed by the responsibility which comes with independence. They ignore the lessons offered by impoverished Haiti, the second oldest nation in this hemisphere, which is now suffering under perhaps one of the cruelest dictators of this century, a self-styled and self-declared emperor. The classical pattern of colonialism is disappearing, but in its place have come the more sophisticated forms of exploitation. The possibility of a confederation of independent but cooperating communities has given way to competition between islands motivated strictly by self-interest. Poverty amid prosperity; colonialism replaced by neo-

colonialism; cooperation developing into selfish if not destructive competition; industrialization at the cost of neglect to agriculture; independence instead of interdependence; nationalism, communism and capitalism—these are conflicting, contrasting and competing currents swirling about the variegated Caribbean scene.

Erroneously and unrealistically, Puerto Rico sets the pace for the rest of the Caribbean. Visiting officials of neighboring Caribbean governments are impressed by the obvious prosperity of the teeming urban areas of this still overpopulated island. The spectacular achievement of the industrial development program cannot be denied. Over a thousand new industries have been brought to the island and have doubled the contribution to the island's national income from industrial sources from 12 per cent in 1940 to 25 per cent in 1964. The resulting prosperity has been reflected in rising wages (\$1.15 an hour average) and one of the highest per capita incomes in the Caribbean (\$800 plus for the fiscal year 1963-1964).

Other areas, like Haiti, have much lower wage scales (in Guadeloupe, F.W.I., a combination cook and maid is paid a dollar a day with meals) and Trinidad or Jamaica can offer exemption for new industries, but not even the American Virgin Islands can offer tariff-free access to the vast consumer market of the United States. In this, Puerto Rico is unique. While the French West



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Indies and other islands would seek to imitate the Puerto Rican pattern of success, even their low wages, tax exemption, and free access to the European Common Market have failed to produce one factory for Guadeloupe or Martinique.

ECONOMIC PROGRESS

Puerto Rico's exceptional position brings in yearly an average private capital investment of \$250 million and an average of another \$50 million secured through loans negotiated by the Government Development Bank. The only other area of the Caribbean where United States capital in recent years was rushed in to develop a showcase of capitalism and democracy was the Dominican Republic under the freely elected government of Juan Bosch.

According to some reports, upwards of \$86 million was committed by the United States government to the Dominican Republic after the assassination of Trujillo. The deposing of Bosch and his short-lived government served to emphasize the exceptional circumstances behind the success of Puerto Rico. The Alliance for Progress gave the Dominican Republic top priority. Loans were given for agricultural credit, the construction of farm to market road systems, cattle and live-stock improvement programs, low-cost housing projects, school construction and teacher training, and the cultivation of rice. The Peace Corps invaded every valley and remote village of the Republic and remained when the United States cut its foreign aid mission after the fall of Bosch. The bulk of the grants of the United States to the Dominican Republic were designed to facilitate imports mostly from the United States, to subsidize sugar prices, and service the enormous foreign debt (\$58 million).

The causes of Bosch's downfall cannot be explored in this brief paper. At the risk of belaboring the obvious, it should be noted that Bosch was not the master of his household. It also now seems clear that former Ambassador John Bartlow Martin was not the exclusive spokesman for the United States within the Republic. In contrast, Puerto

Ricans are in effective and almost complete control of the internal conditions that have contributed to their economic progress.

Economic progress can also be found in Surinam which, while geographically not part of the Caribbean, qualifies culturally and historically as part of the greater Caribbean community. One of the three Guianas, Surinam forms one-third of what is known as the Kingdom of the Netherlands. (The Netherlands Antilles and Holland are the other two parts). With an economy based primarily on the exploitation of bauxite deposits and a stable agricultural economy based on small farms of the East Indian and Javanese type, the Surinamese have cooperated with the Dutch to undertake a program of economic development that shows great promise. Originating in a costly (\$750,000) survey of the mineral resources of the land called "Operation Grasshopper," the Surinam government has undertaken a development plan. Among other results, this will supply hydro-electric power for industrial refineries of bauxite which up to now has been extracted and shipped elsewhere for processing. Within recent months, the large Affobakka dam on the Surinam River has been completed. The dam is expected to generate 180,000 kilowatts per hour and plans are now being studied for another hydro-electric project on the Kabalebo River, a tributary of the Courantyne, which could generate an estimated one million kilowatts per hour.

Last year (1964) was the original terminal date of the ten-year development plan for Surinam but the plan has been extended and slightly revised and will now end in 1969. Financial backing for the plan has been secured from the United Nations' Special Fund, the Netherlands government, the European Common Market Development Fund, the Surinam Aluminum Company, World Food Aid and other sources. The initial impetus for the development plan has come from exploitation of bauxite deposits. Yet with the construction of the hydro-electric dam producing low-cost electricity for an aluminum smelter and an alumina plant, the Surinamese hope to open up the interior of their country

and exploit known deposits of other minerals including oil. Along with industrial development, the plans also include measures for an important livestock industry and resettlement programs for farmers in the interior.

POLITICAL IMMATURITY

Unfortunately, while economically well advanced, Surinam does not show the same strides in political maturity. After the disastrous experience in the East Indies, the Dutch have moved ahead rapidly in setting up the framework for local autonomy in the Caribbean area. Surinamese are in control of local affairs but so much deference is extended to Dutch authorities and Dutch consultants that it is obvious to the outsider that the Surinamese do not exhibit the independence of thought that should accompany their degree of political autonomy and economic development. Since 1962, politics have tended to reflect the various ethnic and cultural divisions of the multiracial community. One can only hope that the lesson of neighboring British Guiana will prevent Surinam's progress toward nationhood from being blocked by bitter racial strife.

The Netherlands Antilles, equally autonomous but culturally more homogeneous, reflect the same lack of political maturity. Aruba and Curaçao, centers for the refining of Venezuelan oil, have enjoyed sustained economic prosperity longer than almost any other area of the Caribbean. Only recently, due to restrictions on the exploitation of oil by a more progressive Venezuelan government, these islands have felt the pace of their economy slacken. A limited program of controlled immigration of skilled workers to Holland has eased some of the pressure caused by further automation of the oil refineries, and tourism has taken up some of the slack.

Throughout the Caribbean, tourism makes an important contribution to prosperity. Again, Puerto Rico sets the pace with an estimated direct contribution from tourism to the economy of close to \$100 million (1963-1964: \$96 million), almost double the \$54 million calculated for 1961. The tourist has literally taken over the small chain of

islands that extend eastward from Puerto Rico to the Anagada passage and then south to Monserrat. This has resulted in a change in the way of life of the once isolated islanders. Saba women no longer sew the fine needlework for which they were once famous. Land speculators have bought up extensive areas of islands like St. Martin at a nominal fee (4,000 acres for \$40,000) and with Madison Avenue addresses sell small beach-side plots at one hundred times (\$1,000 to \$3,000 an acre) the original purchase price.

Along with industrial development, tourism improves communications through increased service by large airlines (St. Martin is served by the airlines of four countries) and new airports (Saba and Nevis) and expansion and improvement of existing public utilities. Whether or not the tourist boom continues, the constructions and improvements will remain. The luxury hotels of Havana, Cuba, have served the revolution well as barracks for students or as facilities for visiting Soviet technicians. The comparison is not out of place; the newly-founded College of the Virgin Islands is located in a building which was once a luxury hotel, and the scenic tourist highway to be built across the mountain ridges of Puerto Rico will greatly improve communication with the interior of that island.

ECONOMIC PROBLEMS

Agriculture, and specifically sugar production, faces trouble in the Caribbean. Cane production continues to decline in island after island. Puerto Rico has failed to meet its assigned quota in recent years. At least two mills closed in 1964 and the total production fell far below the estimated goal of 1,100,000 tons, forcing the United States Department of Agriculture to ask 75,000 tons from other countries supplying the American market. Antigua's production fell 4,000 tons short of the estimated 25,000 production. The island government of St. Kitts was also faced with very poor production, forcing the British government to extend an emergency loan of \$1,300,000 to the island.

The Dominican Republic expected a drop

of 20 per cent in sugar production in 1964 but latest reports modified that pessimistic estimate to only 10 per cent. The same reports can be made for Jamaica, British Guiana, and the French islands of Guadeloupe and Martinique. Thus, while the American press gave great attention to the failure of sugar production in Cuba (down from 6.8 million tons in 1961 to 3.8 in 1963), it has ignored a similar decline in the rest of the Caribbean.

Much of this fall-off in production can be attributed to adverse weather conditions: prolonged drought in St. Kitts, Puerto Rico and Antigua, or devastating hurricanes which hit the French islands of Guadeloupe and Martinique, and Cuba and Haiti in 1963 and 1964. The fluctuating prices of sugar, which in 1964 cut Puerto Rico's return by \$31 million, have also caused curtailment of production. For other islands subject to price fluctuations on the unprotected world market, the effect was even more drastic. In some cases like British Guiana and St. Kitts, labor trouble affected production. With the rising cost of labor, the growing demand for workers in industry, uncertain prices, and unpredictable weather conditions, the production of sugar has a hazardous future. But this is not all.

AVERSION TO CANE FIELDS

As Eric Williams and others have pointed out, there exists a deep, almost psychological aversion to work in the cane fields. Such hard labor, most inadequately reimbursed, is quickly shunned if there is an acceptable alternative. Labor costs can hardly rise further. In Puerto Rico, admittedly a high cost area, wages have been steadily rising under the supervision of minimum wage boards; however, labor production has not been increasing. A man-hour of field work yields 100 pounds of sugar in Florida, 147 pounds in Hawaii; 98 pounds in Louisiana; but only 26 pounds in Puerto Rico. It would therefore appear that even though wages rise, efficient and productive labor is no longer available to allow the industry to compete effectively with other sugar-producing areas.

Even in Cuba, where Castro can put the psychological weight of his revolution behind the demand for "volunteer" help to harvest the sugar crop, the problem is not solved but only temporarily postponed. Thus, sugar production in the Caribbean has reached a crisis which only drastic action can remedy.

CUBAN ACTION

In Cuba, where earlier attempts at industrialization and diversification of agriculture have been recognized as serious mistakes of the revolutionary government, drastic action is now being taken. Obviously, in a government-controlled economy, decisions can be made with little debate or delay. By 1970, cane production should be up to the pre-revolutionary levels (the goal is 10 million tons). The 1964 harvest has already seen the experimental use of large cane cutting machines which grind the stalk and leaves together. By 1968, according to reports, Cuba hopes to have 4,000 machines cutting at least 50 per cent of the sugar crop on most of the 60 large centralized state farms which have between 250,000 and 600,000 acres each. To compete with Cuba and keep pace with the production rates of the rest of the sugar producing world, other areas in the Caribbean will have to mechanize.

But mechanization requires expensive capital investment which can only be carried out by large agricultural corporations either private, like Bookers in British Guiana, or governmental, like the Land Authority in Puerto Rico or the *Instituto Nacional de la Reforma Agraria* in Cuba. Within the free market economy areas of the Caribbean, governments have preferred to invest, wherever possible, in industrial projects rather than extensive agricultural development schemes that would benefit large land owners or corporations. In part this obeys the previously mentioned psychological inclination of the people to turn from the plantation system; in part it also arises from the fact that investment naturally seeks the higher and more certain returns found in industry.

Caribbean governments which have reflected the desires of the people have been

reluctant to support the large plantation system and have indeed endeavored drastically to curtail its expansion. In Cuba, although agrarian reform set out to destroy the plantation system, after three years it has in some aspects survived in the vastly modified form of extensive state farms. In Puerto Rico, attempts were made under a progressive government in the 1940's to carry out a modest land reform program that would have restrained the domination of the sugar economy by four large corporations and put into motion a varied program of agriculture based on small farms and cooperative farming associations or agencies. With mixed and modest success in its early stages, the program eventually ceased to be of primary concern to a government which found industrial development more profitable. Thus, whether it is under attack or neglected, Caribbean sugar production faces a crisis juncture which can be met only through mechanization in a hostile environment created by centuries of ruthless exploitation.

ALTERNATIVES

Unless there is to be complete government control as in Cuba, the Caribbean governments must somehow overcome the awesome specter of the hated plantation system compounded in this century by hate directed toward impersonal, often absentee-controlled, corporations, like Bookers or the Romana sugar complex in the Dominican Republic. Governments must offer either direct or indirect support during the transition period.

For the past several years, the Puerto Rican government has joined the federal government in supplying a modest subsidy to sugar growers. This year the governor has proposed that a program of rehabilitation and training be set up for displaced agricultural workers who might be affected by increased mechanization.

In Jamaica, the Prime Minister has flatly opposed mechanization. Such a position will force sugar out of the islands. After three centuries, sugar is soon to disappear from the island of St. Croix, to be replaced by tourism and industry. Other islands will follow.

Another alternative would be to continue the popular program of expropriating the sugar estates and, under government guidance, to carry out resettlement schemes of small farming communities. Puerto Rico, the Dominican Republic under Bosch, Jamaica, and British Guiana have all at one time or another tried different variations of this line of agricultural development. The results, as noted in Puerto Rico (one of the more successful programs), have been at best modest.

Most discouraging is the sad case of agrarian reform in the Dominican Republic, which has seen five heads of state since the assassination of Trujillo. Some 2,400 peasants have been settled over a two-year period by the National Agrarian Institute, which received some \$3 millions in loans from the United States. Food for Peace still sustains most of these farmers, who have failed to receive the necessary government support and orientation. Technical incompetence, perhaps temporarily eased by Peace Corps volunteers, changing government bureaucrats whose average tenure as managers of the model communities of Yuma or Caracol in the Cibao Valley seems to be about three months, and more recently outright corruption in the marketing of products and supplying of needed seeds and machinery have combined to frustrate the objectives of the reform. Certain areas of the Republic are now one step closer to the deplorable conditions which exist in neighboring farm areas of Haiti.

Comparatively speaking, the situation is better in Jamaica, but the results of resettlement projects are disappointingly modest. The Jamaicans have recognized that industrialization resources cannot be expected to sustain continued economic progress in Jamaica; agriculture must make a major contribution to the solution of the problem of unemployment and scarcity of food for local consumption. In response to the decline of the contribution of agriculture to the gross domestic product (30.8 per cent in 1950 to 13 per cent in 1961) a five year Farmers Production Programme, ending in March, 1965, was undertaken at the total expenditure of 12.5 million pounds. Additional aid

is coming from World Food Aid Program and the United States Food for Peace; A.I.D.¹ has also contributed half a million to the dairy aspect of this agricultural program.

Alexander Bustamante, Prime Minister of Jamaica, seems to have a spirited and dynamic group of young men in his government but specifically in the resettlement projects which concern us at this point the struggle is uphill. Too often, the farmer is overly-dependent on the government agent, who substitutes in the minds of the peasant for the colonial landowner whose word was never questioned. Service facilities of a social welfare type of government tend to reinforce the dependency. Thus the farmer relies less on his own or local community resources to solve his farming problems than on the central government. Too often, the best farmers are hired by the government to serve as agents and teachers, depriving the land of its best caretakers and most productive workers. Nevertheless, in Jamaica, where other alternatives are few and less attractive, the problems presented in the various resettlement projects may be overcome.

There is one glimmer of optimism in the rapid and profitable growth of livestock and dairy products. In Puerto Rico, in 1963 and 1964, the contributions of this sector have exceeded the contribution attributed to sugar cultivation. In part this is due to the rapidly expanding demand created by the phenomenal improvement in the standard of living of the average Puerto Rican urbanite; but growth of livestock and dairy farming in the Dominican Republic, Jamaica and Trinidad must be explained otherwise. One favorable aspect of this type of agricultural activity is that, for the most part, it is free of the stigma attached to the plantation or the absentee corporation. Although the capital investment for any serious operation is high, the growth of the livestock and dairy industry in the Caribbean is encouraging and should receive further support.

The dominant force stirring in the Caribbean is nationalism, in its various forms and

manifestations. It comes from the awakening of the Caribbean communities and is far stronger than any ideological force emanating from Moscow, Peking or Washington. Nationalism is destructive as well as constructive, and the future of the Caribbean will depend upon the way it develops.

Two nations, Jamaica and Trinidad, are in their second year of independence as Commonwealth members of the British Empire. Both have joined the United Nations and are requesting entrance into the Organization of American States. Other semi-autonomous states like Puerto Rico, and even Surinam, are coming to define with greater force and precision their desired role in international affairs. Surinam has served notice on the Caribbean Organization that it is not satisfied with the limitations inherent in the structure of that organization. Puerto Rico has successfully secured the agreement and compliance of the United States for a re-examination of its political future. Even in the Virgin Islands where local support for autonomy has been woefully weak, recent election results (both local and national) almost guarantee that these islands will be able to elect their next governor.

Even more clearly, nationalism can be seen in the recent Jamaican law that severely restricts the employment of non-Jamaicans to those who have resided on the island for the last ten years. The minor student disturbances which closed the University of Puerto Rico for two days prior to election day were also in part manifestations of a type of cultural nationalism, complicated by police brutality and a long-overdue university reform. Cuban nationalism, which the United States government seems too blind and misguided to recognize, still remains the dominant force in Cuba, as close observers of the expulsion of Aníbal Escalante and, more recently, the trial of Marcos Rodríguez, have indicated. In Quisqueya during the euphoric days of the Bosch rule, rumblings of resentment of the Dominican against the invading carpetbagger from neighboring Puerto Rico were also manifestations of nationalism.

Some areas, such as the Netherlands An-

¹ Agency for International Development

tilles, sadly need a strong voice of nationalism to awaken their people. José Lake's *Windward Islands' Opinion*, a very modest mimeographed weekly, barely manages to survive in an environment that is suffocatingly Dutch. In British Guiana, racial strife could have been overcome in its early stages if nationalist sentiment had united the Guianese. Now the African is pitted squarely against the East Indian and the common desire for independence from Great Britain is not strong enough to counteract the deeply-felt fear that each has for the other.

Discontent is growing within the French islands of Guadeloupe and Martinique, still integral parts of France. The French creoles of the Caribbean are beginning to realize that they have little to gain from such a close relationship. More advantages can be seen from an autonomous relationship with France, similar to that which Puerto Rico has with the United States. By far the most vocal and numerous political groups on the islands are the Communists. Until very recently they were restricted by Communists in France, who for obvious political reasons favored integrated political ties with France. Now the political leaders of the islands, when not jailed by French officials, are exploring ways to put the control of island affairs into the hands of the Guadelupans and Martinicans.

The weak, colonial-minded Caribbean Organization has been adversely affected by the drive of nationalism, which in great part explains the withdrawal of Trinidad and Tobago, and Jamaica, and the threatened withdrawal of Surinam. Upon completion of its third year of existence, the Secretary General candidly confessed that the outstanding achievement of the Organization was that it had survived three years. It has only survived because of the intense and active support of the Puerto Rican representatives who have seen correctly that the Organization offers a magnificent opportunity to enter into the restricted field of direct foreign relations with other states of the Caribbean area. This in itself may be sufficient reason for Puerto Rico to continue to support the international body and allow its continued existence.

If Martinique and Guadeloupe are successful in their very difficult battle to secure local autonomy, representation to the Caribbean Organization from the French islands would be in the hands of local citizens of the Caribbean and not the French Foreign Office. Since the stubborn and uncooperative influence of France has always been an obstacle to effective cooperation in the Caribbean, this change would be most constructive.

The drive of nationalism virtually killed the short-lived West Indian Federation when Jamaica and Trinidad left it. Remnants of this Federation under the new name of the Federation of the Eastern Caribbean are coming together eventually to form a government in Barbados. Nonetheless, Grenada has been responding to overtures made by Eric Williams, Trinidad's Prime Minister, to unite with Trinidad and Tobago. Williams has invited the other islands to follow Grenada's example. Thus the learned scholar-turned-politician has expanded his Trinidadian nationalism to include at least the eastern West Indies. Whether he will be successful in this venture, and in another which he has explored with Puerto Rico's Luís Muñoz Marín to form a more effective international organization designed to further Caribbean cooperation, remains to be seen.

Nationalism, or more bluntly, the desire of the Jamaican, Puerto Rican, Cuban, or Trinidadian to determine for himself the destiny of his island community, is the current that underlies the conflicts and contrasting patterns of the Caribbean kaleidoscope. If nationalism is to be supplanted by any effective intraregional force (which frankly seems remote at this point), the leaders of the Caribbean will have to move beyond their competing roles as champions of particular national causes and work cooperatively toward the easing of their serious common problems.

Thomas Mathews is an associate professor on the social science faculty of the University of Puerto Rico, and author of *Puerto Rican Politics and the New Deal* (Gainesville: University of Florida Press, 1960).

CURRENT DOCUMENTS

The O.A.S. on Venezuela's Charges against Cuba

The Ninth Meeting of Consultation of Ministers of Foreign Affairs, serving as the Organ of Consultation in application of the Inter-American Treaty of Reciprocal Assistance, was held at Washington from July 21 to July 26, 1964, to consider Venezuelan charges of Cuban intervention and aggression. The text of the Final Act, signed on July 26, follows:

The Ninth Meeting of Consultation of Ministers of Foreign Affairs, Serving as Organ of Consultation in Application of the Inter-American Treaty of Reciprocal Assistance, was held at the headquarters of the Organization of American States, the Pan American Union, in Washington, D.C., from July 21 to 26, 1964.

The Council of the Organization of American States convoked the Meeting by a resolution adopted on December 3, 1963, which reads as follows:

WHEREAS:

The Council has taken cognizance of the note of the Ambassador, Representative of Venezuela, by means of which his government requests that, in accordance with Article 6 of the Inter-American Treaty of Reciprocal Assistance, the Organ of Consultation be immediately convoked to consider measures that must be taken to deal with the acts of intervention and aggression on the part of the Cuban Government affecting the territorial integrity and the sovereignty of Venezuela, as well as the operation of its democratic institutions; and

The Ambassador, Representative of Venezuela, has furnished information to substantiate his requests,

The Council of the Organization of American States

RESOLVES:

1. To convoke the Organ of Consultation in accordance with the provisions of the Inter-American Treaty of Reciprocal Assistance, to meet on the date and at the place to be fixed in due time.

2. To constitute itself and act provisionally as Organ of Consultation, in accordance with Article 12 of the aforementioned treaty.

3. To inform the Security Council of the United Nations of the text of this resolution.

At the meeting held on the same day, December

3, 1963, the Council of the Organization, acting provisionally as Organ of Consultation, adopted a resolution, whereby a committee was appointed to investigate the acts denounced by Venezuela and to report thereon. The committee, which was composed of representatives of Argentina, Colombia, Costa Rica, the United States of America, and Uruguay, presented its report at the meeting held on February 24, 1964, by the Council, acting provisionally as Organ of Consultation.

With respect to the date and place of the meeting, the Council of the Organization of American States at its special meeting on June 26, 1964, adopted the following resolution:

WHEREAS:

On December 3, 1963, the Council of the Organization convoked the Organ of Consultation in accordance with the provisions of the Inter-American Treaty of Reciprocal Assistance, stating that it would meet at a place and at a time to be set in due time,

The Council of the Organization of American States

RESOLVES:

1. That the Ninth Meeting of Consultation of Ministers of Foreign Affairs, Serving as Organ of Consultation in Application of the Inter-American Treaty of Reciprocal Assistance, shall be held at the headquarters of the Organization of American States.

2. To set July 21, 1964, as the date for the opening of the meeting.

The organization of the Meeting of Consultation and its deliberations were governed by the Regulations of the Meeting of Consultation of Ministers of Foreign Affairs to serve as Organ of Consultation in Application of the Inter-American Treaty of Re-

ciprocal Assistance, approved by the Council of the Organization of American States at the meeting held on July 29, 1960.

In accordance with the provisions of Article 15 of the Regulations of the Meeting, a closed preliminary session was held on the morning of July 21. On that occasion, the matters to be dealt with at the opening session were considered, and the order of precedence of the members of this Meeting of Consultation was established by lot.

In accordance with Article 27 of the Regulations, on July 21, the Secretary General of the Organization of American States, Mr. José A. Mora, installed the opening session, at which His Excellency Mr. Vasco Leitão da Cunha, Minister of State for Foreign Affairs of Brazil, was elected President of the Meeting. At the same session, His Excellency Mr. Galileo Solís, Minister of Foreign Affairs of Panama, was elected Vice President of the Meeting. In accordance with the same article, Mr. William Sanders, Secretary of the Council of the Organization of American States, acted as Secretary General of the Meeting. Mr. Santiago Ortiz, Director of the Office of Council and Conference Secretariat Services, acted as Assistant Secretary General.

His Excellency Mr. Vasco Leitão da Cunha, Minister of State for Foreign Affairs of Brazil, and His Excellency Mr. Alejandro Zorrilla de San Martín, Minister of Foreign Affairs of Uruguay, addressed the inaugural session held on the same date.

In accordance with the Regulations, the Meeting appointed a Credentials Committee composed of the Foreign Ministers of Peru, Uruguay, and Nicaragua. It also appointed a Style Committee composed of representatives of Colombia, Brazil, Haiti, and the United States of America.

In accordance with the provisions of Article 20 of the Regulations, a General Committee was formed, composed of all the members and charged with considering the topics and submitting their conclusions to a plenary session of the Meeting for approval. His Excellency Mr. Fernando Gómez Martínez, Minister of Foreign Affairs of Colombia, and His Excellency Mr. Miguel Angel Zavala Ortiz, Minister of Foreign Affairs of Argentina, were designated as Chairman and Rapporteur of the General Committee, respectively.

This Final Act was signed at the closing session held on July 26. His Excellency Mr. Gonzalo Escudero, Minister of Foreign Affairs of Ecuador, and His Excellency Mr. Vasco Leitão da Cunha, Minister of State for Foreign Affairs of Brazil, President of the Meeting, addressed the same session.

As the result of its deliberations, the Ninth Meeting of Consultation of Ministers of Foreign Affairs, Serving as Organ of Consultation in Application of

the Inter-American Treaty of Reciprocal Assistance, approved the following resolutions and declarations:

I

APPLICATION OF MEASURES TO THE PRESENT GOVERNMENT OF CUBA¹

The Ninth Meeting of Consultation of Ministers of Foreign Affairs, Serving as Organ of Consultation in Application of the Inter-American Treaty of Reciprocal Assistance,

HAVING SEEN the report of the Investigating Committee designated on December 3, 1963, by the Council of the Organization of American States, acting provisionally as Organ of Consultation, and

CONSIDERING:

That the said report establishes among its conclusions that "the Republic of Venezuela has been the target of a series of actions sponsored and directed by the Government of Cuba, openly intended to subvert Venezuelan institutions and to overthrow the democratic Government of Venezuela through terrorism, sabotage, assault, and guerrilla warfare," and

That the aforementioned acts, like all acts of intervention and aggression, conflict with the principles and aims of the inter-American system,

RESOLVES:

1. To declare that the acts verified by the Investigating Committee constitute an aggression and an intervention on the part of the Government of Cuba in the internal affairs of Venezuela, which affects all of the member states.

2. To condemn emphatically the present Government of Cuba for its acts of aggression and of intervention against the territorial inviolability, the sovereignty, and the political independence of Venezuela.

3. To apply, in accordance with the provisions of Articles 6 and 8 of the Inter-American Treaty of Reciprocal Assistance, the following measures:

a. That the governments of the American states not maintain diplomatic or consular relations with the Government of Cuba;

b. That the governments of the American states suspend all their trade, whether direct or indirect, with Cuba, except in foodstuffs, medicines, and medical equipment that may be sent to Cuba for humanitarian reasons; and

c. That the governments of the American states suspend all sea transportation between their countries and Cuba, except for such transportation as may be necessary for reasons of a humanitarian nature.

4. To authorize the Council of the Organization of American States, by an affirmative vote of two

¹ Adopted by a vote of 15 to 4 (Bolivia, Chile, Mexico, Uruguay). Venezuela was not eligible to vote.

thirds of its members, to discontinue the measures adopted in the present resolution at such time as the Government of Cuba shall have ceased to constitute a danger to the peace and security of the hemisphere.

5. To warn the Government of Cuba that if it should persist in carrying out acts that possess characteristics of aggression and intervention against one or more of the member states of the Organization, the member states shall preserve their essential rights as sovereign states by the use of self-defense in either individual or collective form, which could go so far as resort to armed force, until such time as the Organ of Consultation takes measures to guarantee the peace and security of the hemisphere.

6. To urge those states not members of the Organization of American States that are animated by the same ideals as the Inter-American system to examine the possibility of effectively demonstrating their solidarity in achieving the purposes of this resolution.

7. To instruct the Secretary General of the Organization of American States to transmit to the United Nations Security Council the text of the present resolution, in accordance with the provisions of Article 54 of the United Nations Charter.

II

DECLARATION TO THE PEOPLE OF CUBA²

WHEREAS:

The preamble to the Charter of the Organization of American States declares that, "the historic mission of America is to offer to man a land of liberty, and a favorable environment for the development of his personality and the realization of his just aspirations"; and that "the true significance of American solidarity and good neighborliness can only mean the consolidation on this continent, within the framework of democratic institutions, of a system of individual liberty and social justice based on respect for the essential rights of man";

The Charter of the Organization declares that the solidarity of the American states and the high purposes toward which it is dedicated demand that the political organization of these states be based on the effective exercise of representative democracy;

The Charter also proclaims "the fundamental rights of the individual" and reaffirms that the "education of people should be directed toward justice, freedom, and peace";

The Declaration of Santiago, Chile,³ adopted by the Fifth Meeting of Consultation of Ministers of Foreign Affairs and signed by the present Cuban

Government, proclaimed that the faith of peoples of America in the effective exercise of representative democracy is the best vehicle for the promotion of their social and political progress (Resolution XCV of the Tenth Inter-American Conference), while well-planned and intensive development of the economies of the American countries and improvement in the standard of living of their peoples represent the best and firmest foundation on which the practical exercise of democracy and the stabilization of their institutions can be established;

The Ninth International Conference of American States condemned "the methods of every system tending to suppress political and civil rights and liberties, and in particular the action of international communism or any other totalitarian doctrine";

The present Government of Cuba, identifying itself with the principles of Marxist-Leninist ideology, has established a political, economic, and social system alien to the democratic and Christian traditions of the American family of nations and contrary to the principles of juridical organization upon which rest the security and peaceful harmonious relations of the peoples of the hemisphere; and

The exclusion of the present Government of Cuba from participation in the inter-American system, by virtue of the provisions of Resolution VI⁴ of the Eighth Meeting of Consultation of Ministers of Foreign Affairs, by no means signifies any intention to deny the Cuban people their rightful place in the community of American peoples;

The Ninth Meeting of Consultation of Ministers of Foreign Affairs, Serving as Organ of Consultation in Application of the Inter-American Treaty of Reciprocal Assistance,

DECLARES:

That the free peoples of the Americas are convinced that the inter-American system offers to the Cuban people unequaled conditions for the realization of their ideas of peace, liberty, and social and economic progress;

That the peoples belonging to the inter-American system are in complete sympathy with the Cuban people in all their sufferings, in the face of the total loss of their liberty both in the spiritual domain and in the social and economic field, the denial of their most elementary human rights, the burden of their persecutions, and the destruction of a legal system that was open to improvement and that offered the possibility of stability; and

That, within this spirit of solidarity, the free peoples of America cannot and must not remain indifferent to or uninterested in the fate of the noble Cuban people, which is oppressed by a dictatorship that renounces the Christian and democratic traditions of the American peoples; and in consequence

² Adopted by a vote of 16 to 0, with 3 abstentions (Bolivia, Chile, Mexico).

³ For text, see U.S. Department of State BULLETIN of Sept. 7, 1959, p. 342.

⁴ *Ibid.*, Feb. 19, 1962, p. 281.

EXPRESSES:

1. Its profound concern for the fate of the brother people of Cuba.

2. Its deepest hope that the Cuban people, strengthened by confidence in the solidarity with them of the other American peoples and governments, will be able, by their own endeavor, very soon to liberate themselves from the tyranny of the Communist regime that oppresses them and to establish in that country a government freely elected by the will of the people that will assure respect for fundamental human rights.

3. Its firm conviction that the emphatic condemnation of the policy of the present Cuban Government of aggression and intervention against Venezuela will be taken by the people of Cuba as a renewed stimulus for its hope there will come to prevail in that country a climate of freedom that will offer to man in Cuba a favorable environment for the development of his personality and the realization of his just aspirations.

III

REGIONAL AND INTERNATIONAL ECONOMIC
COORDINATION⁵

WHEREAS:

The objectives of liberty and democracy that inspire the inter-American system, threatened as they are by communist subversion, cannot be fully attained if the peoples of the states that compose it lack adequate and sufficient means for bringing about vigorous social progress and better standards of living;

The persistence of a situation in which the world is divided into areas of poverty and plenty is a serious obstacle to any possibility that may present itself in the American hemisphere for achieving an economically more just society;

Harmonious and decisive action is indispensable, in both the regional and the international spheres, to combat the causes of economic underdevelopment and social backwardness, since prosperity and world peace based on the freedom of man cannot be achieved unless all the American countries attain equality in the economic and social field;

In particular, the continued existence of such a state of underdevelopment and poverty among large sectors of mankind, which becomes more acute in spite of the world increase in wealth and the advance of science and technology from which these sectors cannot derive full benefit; encourages

the subversive action of international communism;

The countries of Latin America expressed their aspirations in the Charter of Alta Gracia and declared their determined intention to work together to build a better world in which there will be a more equitable distribution of income;

The Conference on Trade and Development, held recently in Geneva,⁶ provided a forum for a full discussion of the problems of international economics and established the basis for adequate solutions to problems arising in the fields of raw materials, manufactured products, and international financing; and

The instruments adopted at the two aforementioned meetings supplement and perfect those signed at the Special Meeting of the Inter-American Economic and Social Council held at Punta del Este in August, 1961, and especially, the Charter of Punta del Este,⁷

The Ninth Meeting of Consultation of Ministers of Foreign Affairs, Serving as Organ of Consultation in Application of the Inter-American Treaty of Reciprocal Assistance,

DECLARES:

That the aims of unity and peace with liberty and democracy pursued in the struggle against international communism, which threatens the stability of the institutions of the inter-American system and of the countries that compose it, must be achieved by eliminating those obstacles that hinder social progress and economic development, and

RESOLVES:

1. To reaffirm the determined will of their peoples to work, in the regional and international spheres, for the achievement of the objectives expressed in the Charter of Alta Gracia and at the Conference on Trade and Development, which are in line with the aims and purposes of the Alliance for Progress.

2. To request the Inter-American Economic and Social Council to continue the necessary studies in order to find adequate solutions to the problems involved.

IV

DIPLOMATIC RELATIONS AMONG THE
MEMBER STATES⁸

The Ninth Meeting of Consultation of Ministers of Foreign Affairs, Serving as Organ of Consultation in Application of the Inter-American Treaty of Reciprocal Assistance,

RESOLVES:

To transmit to the Council of the Organization of American States the draft resolution "Diplomatic Relations Among the Members States," presented by the Delegation of Argentina. . . .

⁵ Adopted by a vote of 19 to 0.

⁶ For text of the preamble and the recommendations contained in the Final Act, which was adopted by the Conference on June 16, see U.S. Department of State BULLETIN of Aug. 3, 1964, p. 150.

⁷ For background and texts of the Declaration to the Peoples of America and the Charter of Punta del Este, see *ibid.*, Sept. 11, 1961, p. 459. The complete text of the Charter also appears in *Current History*, January, 1964.

⁸ Adopted by a vote of 19 to 0.

V

VOTE OF RECOGNITION⁹

The Ninth Meeting of Consultation of Ministers of Foreign Affairs, Serving as Organ of Consultation in Application of the Inter-American Treaty of Reciprocal Assistance,

RESOLVES:

To congratulate His Excellency Mr. Vasco Leitão da Cunha, Minister of State for Foreign Affairs of Brazil, on the wise and intelligent manner in which he guided the deliberations of the Meeting.

VI

VOTE OF THANKS¹⁰

The Ninth Meeting of Consultation of Ministers of Foreign Affairs, Serving as Organ of Consultation in Application of the Inter-American Treaty of Reciprocal Assistance,

RESOLVES:

1. To express to His Excellency Mr. José A. Mora, Secretary General of the Organization of American States, its appreciation for all the attentions and courtesies extended to the delegates in connection with this Meeting.

2. To place on record its gratitude to the Secretary General of the Meeting, Mr. William Sanders, and to all who collaborated with him, for the manner in which the advisory and secretariat services of the Meeting were organized and carried out.

3. To offer its appreciation to the hemisphere and world press and other information media for the efficient service they rendered to the Meeting.

STATEMENTS

STATEMENT OF CHILE

The Delegation of Chile abstained from voting on paragraphs 1 and 2 of the operative part of Resolution I, because of its doubts regarding the legality of the use of the term "aggression" in describing the acts. It voted negatively on paragraph 3, because it is firmly convinced that the measures agreed to are not appropriate to the particular case that has brought about the application of the Inter-American Treaty of Reciprocal Assistance. It also voted against paragraph 5, because it believes that there are discrepancies between the provisions of that paragraph and those of Article 51 of the Charter of the United Nations and of Article 3 of the Rio Treaty. With reference to its abstention on paragraph 6, its attitude is consistent with the attitude taken with respect to the measures called for in paragraph 3.

⁹ Adopted by acclamation.

¹⁰ Adopted by acclamation.

The Delegation of Chile abstained from voting on the Declaration to the People of Cuba since, although agreeing with its basic content, it maintains relations with the Republic of Cuba and since it believes precisely in the principle of nonintervention, it has deemed it preferable not to give positive support to this resolution.

STATEMENT OF MEXICO

The delegation of Mexico wishes to make it a matter of record in the Final Act, that the Government of Mexico:

1. Is convinced that the measures provided for in the third paragraph of the operative part of Resolution I (which the Delegation of Mexico voted against) lack foundation inasmuch as the Inter-American Treaty of Reciprocal Assistance does not envisage, in any part, the application of such measures in situations of the kind and nature dealt with by this Meeting of Consultation.

2. Makes a specific reservation to the fifth paragraph of the operative part of the same resolution since it endeavors to extend, in such a way as to be incompatible with the provisions of Articles 3 and 10 of the Inter-American Treaty of Reciprocal Assistance, the right to individual or collective self-defense.

3. Reiterates without reservations its "will to cooperate permanently in the fulfillment of the principles and purposes of a policy of peace," to which "is essentially related" the "obligation of mutual assistance and common defense of the American Republics," in accordance with the provisions of paragraph five of the Preamble of the Inter-American Treaty of Reciprocal Assistance.

IN WITNESS WHEREOF, the Ministers of Foreign Affairs sign the present Final Act.

DONE in the Pan American Union, Washington, D.C., United States of America, in the four official languages of the Organization, on July twenty-six, nineteen hundred sixty-four. The Secretary General shall deposit the original of the Final Act in the archives of the Pan American Union, which will transmit the authenticated copies thereof to the governments of the American republics.

ERRATUM: We regret that an error appeared in "The Soviet School Reform," by Hans Rogger, in our November, 1964, issue. On page 295, the sentence beginning on line 43 of the left column should read, "There has been no frontal attack on its basic premises, which have been reaffirmed time and again."

BOOK REVIEWS

ON LATIN AMERICA

CONTINUITY AND CHANGE IN LATIN AMERICA. EDITED BY JOHN J. JOHNSON. (Stanford: Stanford University Press, 1964. 249 pages, notes and index, \$6.75.)

As John J. Johnson states in his introduction to this excellent study, "Not institutions, but people, sometimes individually, but more often collectively, will determine, in the final analysis, whether the forces at work in Latin America will retard or promote social development." With this in mind, eight scholars have collaborated in an examination of the forces working for change, and those resisting change, in various sectors of Latin American society.

Charles Wagley gives a vivid picture of the conditions of "The Peasant Class" by describing an Indian village in Guatemala and a mestizo village in lower Brazil. Richard N. Adams deals with the expanding "Rural Labor Class" created by the increase in population and the scarcity of land. Fred P. Ellison points out in "The Writer" that, while journalistic and literary activity in the nineteenth century was chiefly a sideline of politicians, lawyers and doctors, today journalism and writing is becoming professionalized. Nevertheless, the literary man still serves as a "creative and critical conscience" of Latin American society. Gilbert Chase looks at the position of "The Artist" and the effect of nationalism and state patronage on the arts. Lyle N. McAlister notes that "The Military" has historically had a dual role. "As an interest group, its corporate concerns, its inherent conservatism and its social allegiances and alliances have inclined to support traditional systems. As an organization performing professional functions, it has contributed quite often unintention-

ally to change in the same systems. . . . It appears, however, that increasingly since the 1930's whatever balance existed has been shifting toward the military as an instrument of change."

W. Paul Strassman in his chapter on "The Industrialist" states that "as a power structure industry is a loose federation of intensely self-interested clans." He believes much of the sluggishness in the field of economic advancement must be laid to the attitudes and determination of the industrial community to seek security and avoid risks. Frank Bonilla describes "The Urban Worker" as poorly educated and ill-housed, but migrants from the country continue to swell the ranks of this group whose growth has outpaced industrialization. In "The University Student," K. H. Silvert demonstrates that those who are enrolled at Latin American universities represent an élite, since they come from upper class and well-to-do middle class families.

A final chapter "Latin America and Japan Compared" is written by R. P. Dore, an English scholar of Japanese society. He considers Japan as a so-called "model of successful industrial transformation" and compares Japan's experience with that of Latin America.

THE VENEZUELAN DEMOCRATIC REVOLUTION: A PROFILE OF THE REGIME OF RÓMOLO BETANCOURT. BY ROBERT J. ALEXANDER. (New Brunswick: Rutgers University Press, 1963. 319 pages, illustrations, notes, bibliographical note, map, tables and index, \$9.00.)

In the preface to his well-written study Professor Alexander states, "Quite frankly, I am favorably disposed to the efforts of the leaders of the democratic regime which came to power in 1959 in Venezuela." His

sympathy for the efforts of the Betancourt regime, however, do not blind him to its weaknesses and failures. On the other hand, he feels that while "there is much to criticize in what the Betancourt regime did or left undone . . . when one considers the vastness of the problems involved in the Venezuelan Democratic Revolution, the achievement of the Betancourt regime far outweighed its errors of omission and commission." In addition to financial, economic and social problems of great magnitude, Betancourt was confronted with seditious, consistent and at times violent right-wing and left-wing opposition from the moment he took office.

The regime's survival in the face of this opposition was largely due to the fact that Betancourt is a politician of remarkable acumen, that he was able to persuade the military to support the constitutional government, and finally, to the basic soundness of the Venezuelan economy: the nation is still the world's largest exporter of oil.

The basic aims of the Betancourt regime were "to convert the country into a modern nation with a balanced economy, a relatively equitable distribution of wealth, and a democratic political system." The cornerstone of its social and economic policy was the agrarian reform program which aimed at the massive redistribution of national wealth through a redistribution of the land. Professor Alexander in evaluating the success of this program notes, "Although the leaders of the revolutionary democratic government had no illusions about completing the process of land distribution in a few years, let alone training fully the new landowners to use the land efficiently, they made a start on both under Betancourt. . . . The small holding was on the way to becoming typical in Venezuelan agriculture." He also is of the opinion that in the field of industrialization the regime made "very marked progress" and the "basis was laid for a new nationalist policy for dealing with the country's principal source of foreign exchange, petroleum. . . . The policy of giving no further concessions

was firmly established." He believes the "most spectacular progress" was made in the field of education; but in the political field, too, the Betancourt regime "made progress against very great odds."

THE PAPALOAPAN PROJECT: AGRICULTURAL DEVELOPMENT IN THE MEXICAN TROPICS. By THOMAS T. POLEMAN. (Stanford: Stanford University Press, 1964. 156 pages, preface, maps, charts, notes and index, \$4.50.)

Since the mid-1950's, Mexico has been able to supply its population with 98 per cent of its foodstuffs. And since World War II, the per capita caloric intake has increased 50 per cent. However, these statistics are not impressive in the light of the fact that while the apparent average diet availability is 2,500 calories, 75 per cent of this is in the cheaper caloric suppliers: cereal and sugar and corn alone account for 50 per cent of the caloric intake. One of Mexico's chief problems continues to be the need to supply a rising population with an adequate diet. Mexico's agricultural capabilities are severely limited by her topography and climate. Much of her potentially arable land lies in the sparsely settled, humid coastal tropics, a considerable distance from the heavily populated highland cities. Since this is a condition common to the Central American countries and the Andean countries of South America, Mexico's experience with the 16-year-old development plan in the tropical Papaloapan District on her east coast has great significance.

Thomas Poleman's valuable study outlines the history of the Papaloapan Commission and its organization and surveys its various projects: flood control, road and dam building, and most important, its agricultural colonization program and its experimentation with mechanized tropical agricultural cultivation. The projects sponsored by the Commission which demanded engineering skills were successfully completed including the flood control programs and building of the huge Aléman

Dam, as well as the road building program which extended the road mileage from 125 miles in 1947 to the 1,500 miles of highway now in operation. However, the value of these projects has been limited by the failure of the agricultural communities for whom their services were designed.

Professor Poleman's interesting analysis of the failures encountered in the agricultural colonization project reveals most of the difficulties resulted from lack of, or poor, planning and the insufficient, or wrong kind of, assistance given to the colonists.

THE UNITED STATES VERSUS PRO-FIRIO DÍAZ. By DANIEL COSÍO VILLEGAS. Translated by Nettie Lee Bensen. (Lincoln: University of Nebraska Press, 1964. 238 pages, preface, introduction, notes, bibliography and index, \$5.00.)

The prominent Mexican historian economist and diplomat, and former president of the United Nations, Dr. Cosío Villegas, traces the diplomatic struggle of the Díaz regime to obtain recognition from the United States in a detailed and scholarly study. From 1876, when Díaz came to power, until 1880, the end of his first administration, the problems dividing the United States and Mexico were so severe that war often appeared imminent. During this period the Díaz regime was weak, lacking in funds and unable to control the border raids which aggravated the United States. Díaz at this time was opposed to foreign investment and the honoring of foreign claims. All these circumstances placed the Mexican government in a very vulnerable position. Dr. Cosío regards it as a Mexican diplomatic victory that Foreign Minister Ignacio Luis Vallarta was able to obtain recognition from the United States without exceptional conditions. He gives a dramatic picture of the diplomatic contests between Mexican Foreign Minister Vallarta and the very astute American diplomat John W. Foster.

T.B.W.

ON POLITICS

VARIETIES OF FASCISM: DOCTRINES OF REVOLUTION IN THE TWENTIETH CENTURY. By EUGEN WEBER. (Princeton, New Jersey: D. Van Nostrand Company, An Anvil Original, 1964. 188 pages, 143 page essay and 43 pages of documents, \$1.45.)

In this short introductory survey and collection of documents, Professor Weber continues his insightful investigations into the phenomenon of the new European Right in the twentieth century. In his stimulating essay, Professor Weber offers a sketch of a *European*, rather than merely national, interpretation of the movements of Fascism and National Socialism in the various societies of Europe. He is in the forefront of those scholars who detect the similarities in such movements of the 1920's and 1930's and who seek some broader interpretation than we have had up to now. Of special value is his emphasis on the truly radical (in the social sense) nature of the variety of fascisms. The specialist may question some of the authors formulations (e.g., have we really learned more when we distinguish between national socialism and fascism?), but as an introduction to the problems and as a goad for more research along such lines, this paperback serves an important function.

BIG BUSINESS AND THE THIRD REICH. By ARTHUR SCHWEITZER. (Bloomington: Indiana University Press, 1964. 739 pages, appendices, bibliography, chronology and index, \$7.50.)

World War II, or Germany's loss of that war, made available to historians vast amounts of official documentary material. Documents which would have never reached the public domain, or would have been unavailable for many years, fell into Allied hands, often literally by the freight carload. The oppressive nearness of the events of the Nazi era and the very vastness of the materials has to some degree

even acted as a check on scholarly examination of it. Since the war historians have tended to shy away from economic and social examinations of the Nazi era. The field has been dominated by studies—mostly political and ideological in orientation—of the shortcomings of the Weimer Republic and the strengths of the opposition to it. The most important study of the political implications of social and economic circumstances and events in the Nazi era was Franz Neumann's *Behemoth*, written in 1942.

Now Arthur Schweitzer, Professor of Economics at Indiana University, has given us a detailed, elaborate, and well-researched study of the first three years of the Nazis-in-power. Professor Schweitzer's thesis is that in these years the Nazis were not *in* power. Rather, they had to share power with the two other major forces—big business and the army. The author has examined a great body of published, unpublished, and hitherto unused documents to support his analysis. The author labels this balance of power "partial fascism." In ideological and political affairs the Party held sway. In important economic questions the business community was decisive. And the army advanced its interests and managed to maintain some freedom of action by allying itself with business when necessary. The book closes with the destruction of the fine balance and the initiation of the war economy in 1936.

This is an extremely valuable book for what it tells us about German history in these three years and for what it contributes to our theoretical understanding of the rivalries of power in all realms in a modern authoritarian state.

Herman Lebovics
Brooklyn College

SOVIET COMMUNES. BY ROBERT G. WESSON. (New Brunswick, N. J.: Rutgers University Press, 1963. Bibliographical note and index, \$7.50.)

In the early days after the Bolshevik revolution, groups of idealistic, militant

Bolsheviks set out to transform the social organization of agriculture by establishing "communes." Although far from uniform, the communes frequently "had a utopian purpose of instituting an order without property; generally, they were marked by a strong spirit of equality and collectivism."

A thorough account of the philosophical origins of the commune and the early Bolshevik attitudes toward them, their organization and operation is offered for the first time in this scholarly, informative work. Dr. Wesson admirably traces the decline of the commune as a functioning organization, initially, because of the failings of human nature, and subsequently, because of the opposition of the Soviet state. Once Stalin decided in favor of collectivization, the day of the commune, even as a possible model, was over.

"Politically and philosophically the commune had always, except for a brief period, been an outsider in the Soviet system; when Stalinist conformity became the rule, it was no longer tolerated. Its usefulness came to an end when the mass of peasants was collectivized and direct party controls were established in the countryside. It was repugnant to most peasants and a political liability. Perhaps most important, it was an economic failure from the point of view of the state, since it tended to defeat the main purpose of collectivization, the procurement of maximum amounts of grain from the peasants."

A.Z.R.

COMMUNISM IN RUMANIA 1944-1962.

By GHITA IONESCU. (New York: Oxford University Press, 1964. 378 pages, biographical notes, bibliography and index, \$7.20.)

This is the exemplary chronicle of a Communist party, from its foundation in 1921, through insignificant years of often-symbolic activity, its post-war imposition by the occupying Russians, the snake pit of intraparty struggles, the hardships imposed on the hostile or indifferent people over which it rules, and the concrete

achievements—dearly paid for—to which it can now point.

Rumanian agriculture has been collectivized despite peasant resistance; industrial production has been expanded vastly; above all, a new class of managers and technicians has been trained: efficient, effective and productive. Communism has hammered in the decried bourgeois values and virtues Rumania had successfully resisted in the past: hard work, productivity, efficiency, responsibility in public places, even a certain kind of formal honesty. It is an irony of fate that it took a Communist dictatorship to do it. Time will show what the travail was worth. Meanwhile, the new generation asserts itself in a new independence within the international Communist movement and also on the world scene. They are Communists, they are technocrats, but they are also Rumanians and there, Ionescu seems to say, lies the hope and the question of the future.

A personal protest: since Romanians spell their country's name *Romania*, with an O, why do Anglo-Saxon publishers insist on spelling it *Rumania*?

**THE FALL OF THE HOUSE OF HABS-
BURG.** BY EDWARD CRANKSHAW. (New York: The Viking Press, 1963. 459 pages, illustrations and index, \$7.50.)

Turning from contemporary affairs to their origins, the Russian correspondent of the London *Observer* has given us an excellent and readable study of the Austrian Empire in its decline. Edward Crankshaw tells the incredibly complicated story of this multinational realm in the last seventy years of its existence, which were also the last years of the world which World War I would sweep away. Seen in this perspective, the role of the Habsburgs, once decried as reactionary and oppressive, appears to have been useful, and their disappearance regrettable.

For sixty-eight years, between 1848 and 1916, the Austrian Empire was embodied in its ruler, Franz Josef, the development of whose character as man and as emperor

Crankshaw presents with brilliant understanding. The Empire gave its subjects long years of peace, prosperity, and the most honest and efficient administration they ever had, far better than many would enjoy again. It made mistakes, of which the greatest—that of its foreign policies—brought its end. Mr. Crankshaw's is the best kind of history for non-specialists: discursive, ripe and lucid, written with humanity and talent. It brings us a rich portrait of pre-European 1914 European politics.

**THE FORTRESS THAT NEVER WAS.
THE MYTH OF HITLER'S BAVARIAN
STRONGHOLD.** BY RODNEY G. MIN-
OTT. (New York: Holt, Rinehart and
Winston, 1964. 208 pages, bibliographical
notes and index, \$4.95.)

Here is the story of Hitler's fabled National Redoubt, in which the remnants of Nazism were supposed to make their last stand against advancing allied armies in the spring of 1945. In a fascinating, fast-moving account, Minott tells how the illusions of a few Nazi leaders and allied agents were built up by German counterintelligence "intoxication" and poor American intelligence work into a phantom threat of major proportions; how this imaginary threat affected changes in Allied strategy; and the part it played in Eisenhower's decision to take neither Berlin nor Prague, both lying within our grasp.

This is military history at its best: cool, clear, precise and brisk. And it provides one more confirmation of the fact that war is too serious a matter to be left to soldiers.

**EIGHT PHILOSOPHERS OF THE ITAL-
IAN RENAISSANCE.** BY PAUL OSKAR
KRISTELLER. (Stanford: Stanford Univer-
sity Press, 1964. 194 pages, bibliographical
survey and index, \$5.00.)

Western philosophy, A. N. Whitehead said somewhere, is a series of footnotes on Plato. In some ways, modern history is a series of developments on Renaissance

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THE U.S. IN LATIN AMERICA

(Continued from page 8)

Democracy was fast rising as a significant political movement on the South American continent.⁸

PRESENT OPPORTUNITIES

The sweeping Johnson-Humphrey electoral victory has contributed to establishing a better psychological climate for revitalization of the Alliance for Progress. Progress on the United States home front in terms of civil rights and the war on poverty will of course help strengthen the United States image and position in Latin America.

If the Alliance for Progress is to succeed, the Latin American masses must come to view the United States as a sister revolutionary and reform-minded society. The old image of a conservative country satisfied with the *status quo* which became so strongly established in their minds during the 1950's has given way only slowly since 1961. This problem is most acute with the younger generation, particularly the students, who within another dec-

⁸ A number of interesting and very timely papers bearing on this phenomenon including one by Frei are contained in William V. D'Antonio and Fredrick B. Pike (editors), *Religion, Revolution, and Reform: New Forces for Change in Latin America* (New York: Praeger, 1964). This author's field investigations and conversations with local leaders during the past year revealed substantial Christian Democratic strength in Peru, Brazil, El Salvador, Guatemala, Ecuador, and Panama, as well as in Chile and Venezuela where the parties are major contenders for power. For a more detailed report on developments in Chile, see the article by Donald Bray on pages 21-25 of this issue.

⁹ The views expressed in these paragraphs stem largely from the author's visits to most of the Latin American republics during the past summer.

¹⁰ See Hubert H. Humphrey, "U.S. Policy in Latin America," *Foreign Affairs*, Vol. 42, No. 4, July, 1964, p. 589. See also his *The Cause is Mankind* (New York: Praeger, 1964).

¹¹ For example, what should have been learned with regard to indirect armed intervention from the Guatemalan experience of 1954 was finally learned in 1961 as a result of the fiasco at the Bay of Pigs. United States approaches to fostering representative democracy, imperfect as they may be, are a considerable advance over Woodrow Wilson's methods. For political development, the Peace Corps is a more refined instrument than the Marine Corps.

ade will be coming to positions of leadership. Firing their imagination and enlisting their energies for, rather than against, the Alliance are among the most urgent tasks confronting United States policy-makers.⁹

One of the major human assets of the United States in the effort to revitalize the Alliance for Progress is the Vice-President-elect. Senator Hubert Humphrey talks the language of the Latin American middle-class political reformers, and in personal contact with them is universally found to be "*muy simpatico*." Where known, his views on the region's pressing problems are welcomed by most Latin American democrats and even a number of alienated revolutionaries.¹⁰ Humphrey has repeatedly stated that it is up to President Kennedy's successors to translate the top priority which the former President attached to Latin American problems into a current administrative reality.

THE OUTLOOK

In spite of the continued existence of the Castro regime in Cuba and the significant trend of Latin American countries adopting independent foreign policies, the United States position in the region is in several important respects healthier than it was a decade ago and markedly stronger than it was in 1960 or 1961. At least now the hemisphere's problems have been recognized and steps have been taken for their amelioration. Moreover, United States understanding of the limits of its influence and of the capabilities of the various instruments at its disposal for implementing policy is much more advanced.¹¹

Political democratization and stability may well accompany continued economic development and social reform, but contemporary experience indicates that this will be far from automatic. Although the appeal of the radical left has diminished, many Latin Americans are not yet convinced that democracy, the United States, or the Alliance for Progress have much to offer. The emerging masses must be convinced that their demands for a better life can and will be fulfilled through representative political processes.

BRAZIL

(Continued from page 15)

disenchanted, and the élites appear to have learned little from the scare that Goulart seemingly gave them. The administration insists that it has halved the budget deficit, but it will still have to print 500 billion cruzeiros in new money during its first nine months in office. After President Castelo Branco took office the cruzeiro strengthened to 1200 to the dollar, but by October 1 it had fallen to 1770 to one, or very near its historic low. The administration has slowed down the rate of inflation, but it is debatable whether or not it will be able to hold to its anti-inflation line in the face of growing labor and middle sector discontent. Also, the first steps necessary to achieve that end have been opposed by some monied elements because they have profited from inflation at the expense of the middle income groups and the laboring classes. President Castelo Branco has not been able to end the skyrocketing of prices for necessities and this failure is already costing him the support of the middle classes. His administration has refused to crack down hard on food speculators, who flourish while some 20 million suffer from malnutrition.

In addition, the number of unemployed grows because the economy stagnates and because workers are entering the labor market at a prodigious rate—in nearly the same numbers as in the United States, which has a population twice that of Brazil. Those with jobs pressure the government to approve wage increases, which, if granted, would only temporarily compensate for past cost of living rises. Currently Brazil's population is increasing by over two million a year. During the 1970's the rate will be 3.5 million annually. A steadily expanding economy thus becomes vital to the welfare of the nation.

President Castelo Branco is not solving Brazil's immense problems, nor is he likely to. Still Brazil, for the moment, can hardly hope for anyone better. As a leader, Castelo Branco may not be revolutionary enough to

meet his nation's needs, but basically his failures stem not so much from his own wrong thinking—in Brazilian terms he is a moderate conservative—as from conditions over which he has no real control. He must, for example, accept the constraints of the antiquated forms under which the country is governed, because he does not have the power to change them. And he must have the support of the military.

More disturbing to this author than President Castelo Branco's limited successes is the thought that he might be driven from office by discontented elements in the armed forces. Should such a development occur, Brazil would either succumb to a regressive military dictatorship of the "right" or the Goulartist forces in the military would emerge. These elements are thoroughly contained at the moment but the Latin American experience teaches that once differences in the armed forces appear the unexpected must be expected.

While Brazil can probably suffer through, and could even conceivably benefit from, two and a half more years of Castelo Branco, it is hardly in a position to withstand the consequences of a reactionary military dictatorship or the profound uncertainties that would accompany a return to Goulartism.

ARGENTINA

(Continued from page 20)

dizi, in 1961 and early 1962, Argentina had been singled out by the United States as a showcase for the Alliance for Progress, but after President Illía's inauguration United States aid to Argentina was almost completely cut off. A report from Buenos Aires in September, 1964, explained that "if [Illía's] government agrees to terms unpopular with the people, it could be signing its own death warrant." But Illía was not merely yielding to popular pressure; he himself was a nationalist, though a moderate one. As he said in a radio address to the nation on May Day, 1964: "Perhaps the internationalization of national problems is the greatest concern of

governments [today]. . . . This makes it more necessary to consolidate, promote, and co-ordinate the essential elements of our nationality, so that the nation may not lose its individuality" and so that it may continue to play an important role in international affairs.

The same nationalist spirit infused President Illia's pronouncements on many other subjects; he felt that in Argentina this spirit needed to be stimulated rather than restrained. In a speech on July 8, 1964, which was appropriately delivered at an "armed forces comradeship dinner," he said, "We must . . . convince the Argentine people that we are capable of running our own enterprises. The men who attained independence for Argentina were imbued with this spirit; now we must reawaken it."

With such a man at the head of the Argentine government—and Illia's term runs until 1969—the prospect of an early settlement of its difficulties with the United States government is not bright. That is regrettable.

CHILE

(Continued from page 25)

deputies and 4 out of 45 in the senate, a coalition of support will have to be forged with representatives of other parties. If that support comes from the right, i.e., from the Radicals, Liberals and Conservatives, the compromising of some reformist measures would be the political price. If support comes from the left, i.e., from the Socialists and Communists, there is risk of a reaction that would galvanize a determined, obstructionist opposition from centrist and rightist congressmen.⁴

The present congress is a hold-over from the March, 1961, congressional elections. In March, 1965, the entire lower house will be up for election and half the senate seats will be contested. It is crucial to the P.D.C. reform plans that they increase their strength in congress in the March elections.

⁴ The initial position of the F.R.A.P. has been one of congressional opposition to the president.

The challenge confronting President Frei and his party is formidable. Success will require almost superhuman energy and sagacity. If the Frei administration fails, a reasonable expectation would be that the oft-disillusioned Chilean voter would next give the F.R.A.P. an opportunity to try its hand at modernizing this lovely but often exasperating land.

MEXICO

(Continued from page 31)

countryside. He will still have to tread delicately in his relations with the great neighbor to the north, especially if he should continue to hold aloof from United States-supported collective measures against Fidel Castro.

As the Institutional Revolution continues to march forward in the modernization and development of Mexico, however, the auguries for the future are perhaps more hopeful than they have been at the time of any other transfer of power in the history of the Republic of Mexico.

BOOK REVIEWS

(Continued from page 49)

themes; and, within this long period that sees the Middle Ages end and ushers in modern times, few things are more ambivalent—and more significant, too—than humanism.

Professor Kristeller's book gives us a brief survey of Italian humanism and of those squirrels of knowledge, the humanists, prodigiously industrious, prodigiously credulous, more erudite than selective, so disconcerting, often by their combination of directness and subtlety, brutality and prudence. He defines their true role and nature as professional teachers of the *humanities*: grammar, rhetoric, poetry, history and moral philosophy; and he presents very clearly the problems and the development of their thinking.

Eugen Weber
University of California, Los Angeles.

THE MONTH IN REVIEW

A CURRENT HISTORY Chronology covering the most important events of November, 1964, to provide a day-by-day summary of world affairs.

INTERNATIONAL

Berlin

Nov. 5—The Soviet representative at the 4-power air safety center in Berlin informs the 3 Western powers that he has orders not to accept the registration of commercial airlines' flights to West Berlin. The action is a protest against direct London-West Berlin and New York-West Berlin flights.

Nov. 7—An Allied statement reaffirms Western rights to air flights over East Germany into Berlin.

Colombo Plan

Nov. 20—At its closing meeting, the consultative committee of this 22-nation group votes to continue the Colombo Plan for cooperative economic development in South and Southeast Asia 5 more years (1966–1971).

European Economic Community (Common Market)

Nov. 6—Details of a 2-stage plan submitted 2 days ago by West Germany to speed up the political and economic union of the E.E.C. members are disclosed: a consultative committee is to be set up to prepare a treaty for political union; in the economic field, all duties on industrial goods among the 6 members are to be removed by January 1, 1967, with agreement on a common agricultural policy to be "in sight" at the same time.

Nov. 10—The cabinet ministers of the 6 member nations, meeting in Brussels, agree to postpone discussion of proposals for greater European unity until next year. West German Foreign Minister Gerhard Schröder tells the Council of Ministers that his gov-

ernment is prepared to negotiate a common grain price. (See also *Germany*, in this issue, and *European Economic Community*, page 368, December, 1964, issue.)

Nov. 15—The Council of Ministers reaches agreement on a common list of industrial products to be excepted from an across-the-board tariff reduction to be negotiated at the "Kennedy round" beginning tomorrow. (See also GATT.)

Nov. 16—The farm ministers of the 6 E.E.C. nations open a 3-day meeting.

Nov. 24—It is reported that the West German cabinet has agreed to compromise reduction in the price of West German grain.

European Free Trade Association (E.F.T.A.)

Nov. 9—President of the Board of Trade (Britain's Trade Minister) Douglas Jay tells business and labor executives of the E.F.T.A. that Britain will not be able to make concessions to E.F.T.A. members to ease the burden of the 15 per cent surcharge imposed on British imports last month. (See also *British Commonwealth, Great Britain*.)

Nov. 19—At a meeting of the E.F.T.A. ministerial council, British Foreign Secretary Patrick Gordon Walker expresses his regret for the surcharge, and assures members it is only temporary. Douglas Jay offers some minor concessions to the E.F.T.A.

General Agreement on Tariffs and Trade (GATT)

Nov. 16—Seventeen nations submit lists of proposed exceptions to a common tariff reduction on industrial imports to the executive secretary of the General Agreement

on Tariffs and Trade, Eric Wyndham White. The tariff reduction negotiations are known as the Kennedy round.

Nov. 17—Copies of the lists of exceptions are distributed to all participants.

North Atlantic Treaty Organization (NATO)

Nov. 5—French Premier Georges Pompidou states that a reorganization of NATO is "necessary." Pompidou warns that West German participation in a mixed-manned nuclear fleet will be inconsistent with the Franco-German Treaty of Cooperation. (See also *British Commonwealth, Great Britain, Germany, and U. S. Foreign Policy*.)

Organization of African Unity

Nov. 28—The O.A.U. Congo Conciliation Commission ends a 2-day emergency session; a communiqué condemns Britain, Belgium and the U.S. for their rescue operation in the Congo. (See also *Congo*.)

United Nations

Nov. 8—It is reported that Chief S. O. Adebo of Nigeria, head of a 21-nation working group studying ways of meeting the U.N.'s financial crisis, has sent letters to the leaders of France, Great Britain, the U.S.S.R. and the U.S. appealing for their cooperation in settling overdue payments of U.N. assessments. (See also *Current History*, December, 1964, page 369.)

Nov. 15—An emergency session of the Security Council is called to consider Syrian-Israeli border hostilities.

Nov. 16—At a U.N. pledging conference, U.S. Representative Franklin H. Williams announces that the U.S. will not pledge a contribution to the U.N. Technical Assistance program and its affiliate, the U.N. Special Fund.

At the Security Council meeting, Syria and Israel accuse each other of starting the border clash on November 13 in which 4 Israelis and 7 Syrians were killed.

Nov. 20—In U.N. Secretary-General U

Thant's annual report made public today, it is proposed that nonmembers, ineligible to attend U.N. meetings, be allowed to send observers to the U.N.

Nov. 24—The U.S. and Belgium notify the U.N. of their joint action in the Congo to save the lives of the Stanleyville hostages. (See also *Congo*.)

Nov. 27—In the Security Council, the British representative proposes that the Israeli-Syrian border area be surveyed and demarcated.

Nov. 28—It is reported that U.N. Secretary-General U Thant has proposed a means of postponing a showdown over payment of arrears by the Soviet Union and other delinquent countries; Thant suggests that no formal vote be taken in the General Assembly between its opening on December 1 and its Christmas recess.

Nov. 30—U.S. Secretary of State Dean Rusk and Soviet Foreign Minister Andrei A. Gromyko confer in New York on avoiding a showdown in the U.N. over debt payments. The Soviet delegation issues a statement rejecting U Thant's proposal to bypass "normal procedure."

BOLIVIA

Nov. 3—A military revolt is staged in Bolivia. In a radio address, Vice-President Rene Barrientos Ortuno urges President Victor Paz Estenssoro to resign. The rebel radio announces that a revolutionary committee under Barrientos has been formed in Cochabamba.

Nov. 4—President Paz leaves the country. A military junta, led by General Alfredo Obando Candia (armed forces commander in chief), takes command. In a radio message, Obando announces that Paz has resigned.

Nov. 5—General Obando and Vice-President Barrientos are sworn in as co-presidents. One hour later, Barrientos announces that Obando has resigned, and names his cabinet.

In exile in Peru, Paz declares that he did not resign.

BRAZIL

Nov. 25—The army arrests 100 aides to the Governor of the State of Goias; they are charged with being involved in a subversive movement.

Nov. 26—Governor Mauro Borges of Goias State is deposed and charged with Communist subversive activities.

BRITISH COMMONWEALTH OF NATIONS

Cyprus

Nov. 9—Turkish and Greek Cypriotes fire on one another near the village of Louroujina, after a month without fighting.

Great Britain

(See also *Intl. E.F.T.A.*)

Nov. 3—In the Speech from the Throne read by Queen Elizabeth II at the opening of Parliament, the new Labor government's program is set forth; the renationalization of the steel industry, rent control, increased pension and sickness benefits, elimination of certain National Health Service charges, and other measures, are proposed.

Nov. 10—Prime Minister Harold Wilson announces that he will meet with U.S. President Johnson in Washington next month.

By a vote of 315 to 294, the House of Commons approves the Labor government's legislative program.

Nov. 11—Chancellor of the Exchequer James Callaghan presents a budget to Commons for increased welfare benefits and higher taxes. The Commons approves 2 measures: to raise the "standard" income tax rate from 38.75 to 41.25 per cent and to increase taxes on gasoline and motor oil.

Nov. 15—Foreign Secretary Patrick Gordon Walker confers in Bonn with West German Foreign Minister Gerhard Schröder. Included is a discussion of the U.S. sponsored mixed-manned nuclear fleet within NATO.

Nov. 16—Wilson says the members of the House of Commons will receive increased salaries, \$9,100 yearly as opposed to \$4,900, recommended by an outside advisory group.

Increases are also granted to the prime minister, senior ministers and peers.

Nov. 20—The International Monetary Fund announces that it has arranged a \$1 billion loan for Britain.

Nov. 23—Prime Minister Wilson tells the House of Commons that the nuclear mixed-manned fleet could weaken NATO. Wilson denies that his government has agreed to participate in the project.

The British government announces that the bank rate has been raised from 5 to 7 per cent. The bank rate, the principal lending rate in Britain, is the charge made by the Bank of England for lending money to Treasury bill dealers. Credit should automatically become tighter.

Nov. 25—Central banks in 10 countries, the Bank for International Settlements, the U.S. Export-Import Bank and the N.Y. Federal Reserve Bank contribute to a \$3 billion fund to be used by Britain to maintain the \$2.80 value of the pound sterling, currently being weakened by "speculative selling."

British Foreign Secretary Patrick Gordon Walker, in a message to West Germany, declares that Wilson's speech criticizing the allied nuclear fleet does not contradict British willingness to consider such proposals.

Kenya

Nov. 10—The Kenya African Democratic Union, the official opposition in parliament, joins the government of Prime Minister Jomo Kenyatta; in effect Kenya becomes a one-party state. The K.A.D.U. will remain a separate party within the alliance with Kenyatta's Kenya African National Union.

Pakistan

Nov. 7—It is reported that in 3 weeks of voting for electors in indirect elections for president, some 300 persons have been injured and some 11 killed in incidents near polling places.

Nov. 19—The balloting period for 80,000 presidential electors ends. The electors will ballot next March.

BRITISH TERRITORIES, THE Rhodesia

Nov. 5—Voters cast ballots in a referendum on whether independence from Britain under the present Constitution is desired; the Constitution provides for political rule by the white minority.

Nov. 6—Final returns reveal that over 58,000 persons voted yes for independence from Britain on the basis of the present Constitution; over 6,900 voted no. It is reported that almost all of the 11,000 Negro voters boycotted the referendum.

CAMBODIA

Nov. 2—In a reply to a message from Prince Norodom Sihanouk printed in *Hsinhua* (Chinese Communist press agency), Chinese Premier Chou En-lai and the chief-of-state, Liu Shao-chi, support Cambodia's struggle against the U.S. and South Vietnam; the Chinese leaders declare that they "cannot ignore any acts of aggression endangering the security of the Kingdom of Cambodia."

Nov. 3—The U.S. State Department discloses that, in talks between Soviet Ambassador Anatoly F. Dobrynin and U.S. Secretary of State Rusk, the Soviet Union has expressed concern over the South Vietnamese-Cambodian border situation.

The Soviet Union formally delivers 2 MIG-17 jet fighter planes and other weapons to Cambodia, in ceremonies at Pnompenh airport. (See also *U.S.S.R.*)

Nov. 15—It is reported that Prince Sihanouk has called a special session of the National Assembly to decide whether to expel U.S. embassy personnel. Sihanouk believes that embassy personnel have provided U.S. reporters with unfavorable information.

Nov. 16—It is reported that the National Assembly has indefinitely postponed a debate on expelling U.S. personnel.

Nov. 17—In a radio broadcast, Sihanouk declares that he has agreed to meet in New Delhi with U.S. delegates to discuss the rift in U.S.-Cambodian relations. (See also *U.S. Foreign Policy.*)

CHILE

Nov. 3—Eduardo Frei Montalva is inaugurated as Chile's 28th president.

CHINA, PEOPLE'S REPUBLIC OF (Communist)

Nov. 7—*Jenmin Jih Pao* (Communist party newspaper) publishes an editorial criticizing ousted Soviet Premier Nikita S. Khrushchev.

In Moscow, Communist Chinese Premier Chou En-lai stands with the new Soviet leaders to review Soviet military strength in a celebration of the 47th anniversary of the Bolshevik revolution. (See also *U.S.S.R.*)

Nov. 16—*Hsinhua* reports that the Chinese Communists have shot down "a pilotless high-altitude reconnaissance military plane" belonging to the U.S. (See also *Laos* and *U.S. Military.*)

Nov. 20—*Hung Chi* (ideological journal of the Central Committee) publishes an editorial denouncing "Khrushchevism without Khrushchev," and attacking the Soviet policy of peaceful coexistence with the U.S.

CONGO, REPUBLIC OF THE (Leopoldville)

Nov. 7—The leader of the group of rebels in Stanleyville, "President" Christophe Gbenye, declares in a radio message that all Belgians and Americans behind rebel lines are prisoners of war. The step is taken in retaliation for air attacks on rebel areas.

Nov. 16—The rebels broadcast from Stanleyville that they plan to execute Dr. Paul Carlson, an American medical missionary. Carlson is accused of being a U.S. army major and a spy.

Nov. 17—In a message to the Stanleyville rebels, the U.S. offers to aid "innocent civilians"; the U.S. states that it will hold the rebels "personally responsible" for the safety of Carlson and 60 other U.S. hostages.

Nov. 24—Belgian paratroops are dropped into Stanleyville from U.S. planes. Shortly before rescuers reach them, Dr. Paul E. Carlson and 17 other hostages are executed.

by rebel forces. The attack to recapture Stanleyville from rebel hands has been authorized by Premier Moise Tshombe. About 1,000 foreign hostages have been held in Stanleyville.

Nov. 25—The Soviet Union issues a statement to the Belgian, British and U.S. embassies protesting the U.S.-Belgian airdrop.

Nov. 26—Belgian paratroops operating from U.S. planes attack Paulis, and free 211 white hostages from rebel forces. It is reported that rebels have killed 2,000-4,000 Congolese, 21 Belgians and 1 U.S. missionary there.

Communist China announces in a *Hsin-hua* broadcast that it will give help to the Congo rebels.

Nov. 27—Belgian paratroops are withdrawn from Paulis and return to their staging base at Kamina.

An emergency meeting of the Organization of African Unity's Congo Conciliation Commission is held. Delegates attack the U.S. and Belgium and assail Premier Tshombe. (See also *Intl, O.A.U.*)

Nov. 28—The U.S. and Belgium end their rescue operations in the Congo; some 1,700 persons have been freed in the last 5 days. Belgian paratroops in Stanleyville are flown to the Kamina base. It is reported that Paulis has fallen to the rebels again.

The Governor of Equatorial Province in the Sudan announces that Gbenye has fled there.

CUBA

Nov. 8—After an interview with Premier Fidel Castro, *New York Times* correspondent Cyrus L. Sulzberger reports Castro's remarks that Cuba is now in control of the Soviet surface-to-air missiles brought into Cuba in 1962.

CZECHOSLOVAKIA

Nov. 12—*Ceteka* (Czech press agency) reports that the National Assembly has unanimously reelected Antonin Novotny to a second 5-year term as president.

FRANCE

(See also *Intl, Common Market*)

Nov. 4—The French government approves and sends to Parliament an \$11.2 billion, 6-year program for military arms, including atomic weapons.

Nov. 22—President Charles de Gaulle, addressing crowds in Strasbourg, declares that West Germany and France must build "a European Europe"; otherwise, West Germany may be dominated by the U.S.

Nov. 27—The National Assembly approves a 5-year plan (1966-1970) for economic development. A nuclear arms program is also approved.

GERMANY, FEDERAL REPUBLIC OF (West)

(See also *Intl, E.E.C.*)

Nov. 2—A communiqué is issued following a meeting of the parliamentary leaders of the the Christian Democratic Union and its Bavarian affiliate; the leaders announce that in a closed meeting they agreed "on the course of the Federal Government." Informed sources report that in a vote of confidence, the C.D.U. upheld Erhard's leadership of the party. Erhard has been criticized by his predecessor, Konrad Adenauer, for not providing "clear leadership."

Nov. 9—Dr. Konrad Adenauer addresses members of the French Institute in Paris in ceremonies installing him as an associate foreign member of the Academy of Moral and Political Sciences within the Institute. He urges greater French-West German co-operation. Adenauer has been received in France in a manner usually accorded visiting heads-of-state.

Nov. 11—The Christian Democratic Union caucus votes to delay West German participation in a mixed-manned nuclear fleet. Previously, Adenauer reported on his talks with French President de Gaulle.

Nov. 18—Defense Minister Kai-Uwe von Hassel returns home after week-long talks in the U.S. (See also *U.S. Foreign Policy.*)

Nov. 30—The West German government declares that it will present a plan to parlia-

ment for lowering grain prices to bring them into line with grain prices in other Common Market countries.

ISRAEL

Nov. 7—Members of the ruling Mapai party, including a minister and a member of parliament, secede to form a bloc known as *Min Hayesod* (From the Roots).

Nov. 13—Israeli jets attack Syrian border positions in a 2-hour battle. According to Israeli reports, fighting erupted when Syrians fired on an Israeli border patrol. A cease-fire is arranged by the U.N. Truce Supervision Organization. (See also *Intl, U.N.*)

Nov. 15—Ex-Premier David Ben-Gurion resigns from the Central Committee of the Mapai party. The Committee has voted to accept election reforms proposed by Premier Levi Eshkol.

JAPAN

Nov. 9—The Liberal-Democratic party nominates Eisaku Sato, a former finance minister, as premier; he will succeed Hayato Ikeda, resigning because of ill health. The Diet (parliament) elects Sato as premier. Sato names his cabinet.

LAOS

Nov. 17—It is reported that Laotian T-28 fighter bomber planes, assisted by U.S. reconnaissance jets, have initiated attacks against supply lines for pro-Communist Vietcong rebels (operating in South Vietnam). Attacks have been directed at the Ho Chi Minh Trail, which runs through North Vietnam, Laos and South Vietnam.

Nov. 18—U.S. Defense Secretary Robert S. McNamara discloses that a U.S. jet fighter plane was shot down yesterday in south-central Laos, presumably by Pathet Lao (pro-Communist) forces. The plane was escorting a photo-reconnaissance plane checking North Vietnamese infiltration. The reconnaissance flights have been made since last May with the consent of the Laotian government.

Nov. 19—North Vietnam announces that yes-

terday it shot down 3 U.S. jet planes and damaged 2 others flying over North Vietnamese territory. The U.S. Defense Department asserts that the plane lost yesterday disappeared over Laos.

Nov. 21—The U.S. Defense Department announces that a second reconnaissance jet plane has been shot down.

LUXEMBOURG

Nov. 12—Grand Duchess Charlotte abdicates her throne in favor of her son, Crown Prince Jean. She has reigned 45 years.

PANAMA

Nov. 23—Some 2,500 students march before the Legislative Palace to demonstrate against the U.S.

Nov. 24—A secret session of the National Assembly ends; a vote of confidence is given President Marco Robles' policy toward the U.S.

POLAND

(See also *U.S. Foreign Policy*)

Nov. 9—Melchior Wankowicz, a U.S. citizen residing in Poland, is sentenced to 18 months in prison for circulating copies of a speech slandering the Polish government. Wankowicz is a writer and lecturer.

SAUDI ARABIA

Nov. 2—The cabinet and *shura* (consultative council) in a joint statement proclaim Crown Prince Faisal king, thus dethroning King Saud. The *ulema* (council of religious teachers) endorses the action.

Nov. 18—The Mecca radio announces that King Faisal has dissolved the premiership; cabinet ministers are to be directly responsible to the King.

SOUTH AFRICA, REPUBLIC OF

Nov. 17—The British Prime Minister, Harold Wilson, announces an embargo on the sale of military arms to South Africa.

SUDAN, THE

Nov. 7—The cabinet rescinds the state of emergency that has been in effect since 1958.

Nov. 10—In Khartoum; demonstrators attack the British, U.S. and U.A.R. embassies. Premier Sir-el-Khatim el-Halifa makes 4 radio appeals for a return to law and order.

It is reported that last night the United National Front, which supports the civilian government, urged people to "rush into the streets" in a show of support for the government.

Nov. 11—It is reported that false rumors of an army coup led to the street demonstrations yesterday.

Nov. 15—General Ibrahim Abboud resigns as president. The cabinet will exercise presidential power. Abboud names Major General Alkhawad Mohamed to succeed him as commander-in-chief of the army.

SYRIA

(See *Intl, U.N. and Israel*)

TUNISIA

Nov. 11—It is reported that in elections on November 8, 96.43 per cent of the registered electors voted to reelect President Habib Bourguiba.

U.S.S.R., THE

Nov. 2—Terminating talks between Soviet leaders and delegates from the Austrian Communist party, a communiqué is issued revealing agreement on plans for a conference of 26 Communist parties to prepare for an international Communist meeting.

Nov. 4—*Tass* (official Soviet press agency) announces that the Soviet government has asked the signatories to the 1954 Geneva conference on Indochina to confer on "Cambodia's request" for "guarantees of her neutrality and territorial integrity."

Nov. 5—Chinese Communist Premier Chou En-lai arrives in Moscow to attend the 47th anniversary celebration of the Bolshevik revolution.

Nov. 6—Soviet Communist party First Secretary Leonid I. Brezhnev delivers a speech in the Kremlin. Brezhnev appeals for a world Communist conference to settle differences among Communist nations.

In a speech, Brezhnev announces that the

Soviet government will encourage private farming to fill personal needs; limitations on livestock and on the size of private plots are to be lifted.

Nov. 7—Soviet leaders and officials from 12 other Communist nations review Soviet military strength in a parade celebrating the Bolshevik revolution. Six weapons are displayed for the first time.

Nov. 11—Sources in Moscow close to a visiting Communist delegation report that the Soviet Union has agreed to postpone a preparatory Sino-Soviet conference from December until spring, 1965; talks between Soviet and Chinese leaders will be held in Peking in the interim.

Nov. 13—*Tass* releases a communiqué announcing that 6 days of talks between Soviet leaders and Premier Chou En-lai have been "frank and comradely"; Chou departs for home.

Nov. 17—*Tass* announces that last night the Soviet Central Committee elected 2 members and 1 alternate member to the Presidium. Frol R. Kozlov is removed from the Presidium because of ill health. Aleksandr N. Shelepin, a Deputy Premier, and Pyotr Y. Shelest, an alternate, become members of the Presidium. The Central Committee expels Aleksei I. Adzhubei, ex-Premier Khrushchev's son-in-law, from its ranks because of a "mistake in his work." The Central Committee votes to eliminate the division of the Communist party into separate agricultural and industrial committees.

It is reported that Western specialists on Soviet affairs in Moscow have declared that Nikolai V. Podgorny seems to have responsibility for the party reorganization into single agricultural-industrial units.

Nov. 18—Some 90 U.S. businessmen and industrialists are addressed by President Anastas I. Mikoyan. The U.S. group is in Moscow seeking increased U.S.-Soviet trade.

Nov. 19—*The New York Times* reports that Premier Aleksei Kosygin has told visiting U.S. businessmen that the Soviet Union might offer to make some payment to the U.S. on its World War II Lend-Lease debt.

Nov. 26—*Tass* issues an "authorized statement" condemning U.S. attacks against North Vietnam and warning that the Soviet Union will offer "necessary assistance" to North Vietnam. (See also *Laos*.)

Nov. 28—The Soviet Union confirms that Marshal Matvei V. Zakharov has been named chief-of-staff of the armed forces; he succeeds the recently deceased Marshal Sergei Biryuzov.

In Moscow, some 1,500 students mainly from Latin America, Africa and Asia march on the U.S., British, Belgian and Congolese embassies to protest the rescue operations in the Congo.

Nov. 30—A Soviet spacecraft heading toward Mars is launched.

UNITED ARAB REPUBLIC

Nov. 26—In Cairo demonstrators attack the U.S. embassy and burn the U.S. Information Service library to protest U.S. action against Congolese rebels.

UNITED STATES

Economy

Nov. 23—The Federal Reserve Board increases its discount rate, at which it lends money to member banks, from 3.5 to 4 per cent. This step is in response to the increased British interest rate.

Foreign Policy

Nov. 1—Families of personnel working at the U.S. embassy in Cambodia leave for Thailand; yesterday another group of dependents flew to Thailand. It is feared that strong anti-American sentiment (sparked by U.S. involvement in South Vietnamese border incidents with Cambodia) may lead to violent demonstrations. (See also *Cambodia*.)

Nov. 2—The U.S. State Department announces that, on October 7, hidden microphones were discovered within the walls of the U.S. embassy in Warsaw, Poland. Following a protest by U.S. Ambassador John Moors Cabot on October 8, Polish officials denied any knowledge of the existence of such equipment.

Nov. 9—The U.S. and Yugoslavia sign a Fulbright educational exchange program agreement; it is the first agreement with a Communist country for the exchange of scholars and professors.

Nov. 12—President Lyndon Johnson welcomes Mexico's President-elect Gustavo Díaz Ordaz and his wife to the LBJ ranch for informal talks.

Nov. 14—Ending 3 days of discussion in Washington between U.S. Defense Secretary Robert S. McNamara and West German Defense Minister Kai-Uwe von Hassel, a communiqué is issued announcing U.S.-West German military cooperation. The ministers support the MLF (mixed-manned allied nuclear fleet). West Germany will make large military purchases in the U.S., including 3 modern missile destroyers. (See also *British Commonwealth, Great Britain and Germany*.)

Nov. 15—U.S. Under Secretary of State George W. Ball, in West Germany for talks with Chancellor Erhard and other leaders, declares that the U.S. considers the mixed-manned nuclear fleet a step toward greater U.S.-West European unity.

Nov. 18—The Soviet Union and the U.S. sign a formal agreement to cooperate jointly in exploring means for the desalination of sea water.

Nov. 26—U.S. Ambassador to South Vietnam Maxwell D. Taylor arrives in Washington for talks with President Johnson. (See also *South Vietnam*.)

Nov. 28—President Johnson, at a news conference, declares that the U.S. will not be inflexible on the issue of the multilateral nuclear force within NATO.

Government

(See also *Politics*)

Nov. 9—At his LBJ ranch in Texas, President Johnson confers with Defense Secretary Robert S. McNamara and Deputy Defense Secretary Cyrus Vance on the military budget for the fiscal year beginning July 1, 1965 (fiscal 1966).

Nov. 10—The Housing and Home Finance Agency temporarily halts new financing for

urban renewal projects in California pending a decision on Proposition 14, just passed by California voters. Proposition 14 repeals a California law forbidding racial discrimination in rental or sale of property.

Johnson confers with McNamara and Secretary of State Dean Rusk.

Nov. 11—Walter W. Jenkins, former aide to President Johnson, is released from George Washington University Hospital where he has been treated since disclosure of his arrest on a morals charge last month.

President Johnson confers with Secretary of the Treasury Douglas Dillon and, later, with Commerce Secretary Luther H. Hodges. At a news conference, Dillon reports that the Administration will ask for the repeal of excise taxes on consumer goods and the elimination or reduction of other excise taxes.

Nov. 15—President Johnson returns to the White House after almost 2 weeks in Texas, to study the reports of his 13 advisory committees on domestic problems.

Speaking at the Albert Einstein College of Medicine at Yeshiva University, Peace Corps Director Sargent Shriver announces that the Peace Corps will establish a universal health education program with volunteer U.S. physicians. Shriver receives an honorary Doctor of Humane Letters degree.

Nov. 16—President Johnson presides at ceremonies installing Dr. Gardner Ackley as chairman of the Council of Economic Advisers; he succeeds Walter W. Heller.

Nov. 17—President Johnson meets with Speaker of the House John W. McCormack and House Majority Leader Carl Albert. Albert later discloses that the President has asked for "quick action" in Congress on bills for medical care for the aged and economic aid to Appalachia.

Nov. 18—Director of the Federal Bureau of Investigation J. Edgar Hoover, in a 3-hour news conference, accuses the Warren Commission of being "unfair" in its criticism of the F.B.I. Denying charges that F.B.I. agents fail to act effectively, Hoover calls

Martin Luther King, Jr., head of the Southern Christian Leadership Conference, "the most notorious liar in the country."

Nov. 19—President Johnson reads a proclamation declaring Sunday, November 22, "a day of national rededication" on the anniversary of the death of President John F. Kennedy.

Secretary of Labor W. Willard Wirtz announces the establishment of the Neighborhood Youth Corps, part of the war on poverty program. The N.Y.C. will offer part-time jobs to students who would otherwise be drop-outs, and full-time training for those who have left school permanently.

Nov. 24—Director of the Office of Economic Opportunity Sargent Shriver announces that the war on poverty program will commence with \$35 million for 120 projects, including 41 Job Corps conservation camps previously announced.

Nov. 25—President Johnson announces that William H. Sullivan, a career Foreign Service officer, has been named ambassador to Laos.

Nov. 27—E. William Henry, chairman of the Federal Communications Commission, announces that there will be an investigation of improper practices in the broadcasting industry, such as "payola" and "plugola."

The chairman of the special cabinet committee to study means of affording greater protection for the President, Douglas Dillon, announces that 75 new agents will be added to the Secret Service. The Administration will also ask Congress to authorize an additional 130 agents next year.

Labor

Nov. 5—Seeking a settlement to a wage dispute between railroad management and the Brotherhood of Locomotive Firemen and Enginemen, a presidential emergency board recommends an 18-cent-hourly increase over a 2-year period for 27,000 firemen, maintenance workers and helpers; an increase of \$1.75 per day is recommended

for several hundred engineers.

Representatives of 11 nonoperating railway workers (6 shopcraft and 5 non-shopcraft) unions and railroad leaders reopen negotiations; last month a presidential emergency board recommended a 9 cents per hour wage increase each year for 3 years for the 6 shopcraft unions.

Nov. 6—25,500 men strike at 9 Ford Motor Company plants. The walkout follows the failure of Ford and the United Automobile Workers Union to settle local issues at the 9 plants. In September, the U.A.W. and Ford reached agreement on a national contract.

Nov. 9—The U.A.W. strikes against Mack Trucks, Inc.

Nov. 17—The Brotherhood of Locomotive Firemen and Enginemen, a nonoperating railroad union, agrees to a settlement based on the presidential emergency board recommendations; members will receive a 9 cent an hour wage increase for each year of a 2-year period.

Nov. 21—Three shopcraft unions and 5 nonoperating unions sign contracts with the railroads in accord with the recommendations of the presidential emergency board for increased wages and fringe benefits. The railroad companies file, in a federal district court, for an injunction against a strike by 3 holdout shopcraft unions.

Nov. 22—The 3 railroad shopcraft unions agree to postpone their strike scheduled for tomorrow after Labor Secretary Wirtz requests the delay.

Nov. 23—The U.A.W. and the Ford Motor Co. sign a 3-year contract, ending local disputes.

Nov. 30—Wirtz opens mediation talks on the wage dispute between the railroads and 3 shopcraft unions.

Military

Nov. 1—President Johnson names a special study group to explore means to check the spread of nuclear weapons. Roswell Gilpatric, former Under Secretary of Defense, is named chairman.

Nov. 10—After meeting with President John-

son and Secretary of State Rusk, Defense Secretary McNamara declares at a news conference that the defense budget for fiscal 1966 will probably be under \$50 billion.

Nov. 18—McNamara announces that 95 military bases and installations will be closed.

U.S. military sources report that the U.S. is sending small pilotless reconnaissance planes over Communist North Vietnam. The drones are launched from planes based in South Vietnam.

Nov. 19—At a news conference Defense Secretary McNamara announces that the Brooklyn (N.Y.) Naval Shipyard and the Portsmouth (N.H.) shipyard will be among 95 military facilities scheduled to be closed. New York's Brooklyn Army Terminal and Fort Jay will also be shut down.

Nov. 28—Mariner 4, a 574-pound spaceship, is launched on a flight to pass Mars in July, 1965; a television camera will take pictures of the surface of Mars.

Politics

Nov. 3—U.S. national elections are held.

Nov. 4—President Lyndon B. Johnson and his running mate, Senator Hubert H. Humphrey, are officially elected on the Democratic ticket, defeating Republican candidates Senator Barry Goldwater and Representative William E. Miller for President and Vice-President respectively. The Democrats have won in 44 states and the District of Columbia with a record 61.3 per cent of the vote. Goldwater wins Arizona and 5 southern "Dixiecrat" states.

In key Senate races, Democrat Robert Kennedy unseats New York's Republican Senator Kenneth Keating; Senator Stephen M. Young (Democrat) defeats Robert Taft, Jr. (Republican) in Ohio; in California, Democrat Pierre Salinger loses to Republican George Murphy.

Barry Goldwater sends a telegram to President Johnson congratulating him on his victory. At a news conference, Goldwater promises to devote the next 4 years to strengthening the Republican party.

In the House of Representatives, the Democrats increase their seats from 257 to

295, and the Republicans win 138 seats; 2 seats are still in doubt. With 2 races in doubt, the Democrats have won at least 67 Senate seats, and the Republicans, 31.

In 25 contests for state governor, the Republicans win 8 and the Democrats win 17, a net increase of one Republican governorship.

Governor Robert E. Smylie (Republican of Idaho and chairman of the Republican Governors Conference) calls a meeting of the 17 Republican state governors to help rebuild the Party.

Nov. 5—Former Vice-President Richard M. Nixon attacks New York Governor Nelson Rockefeller; he declares that Rockefeller's refusal to work for Goldwater's election lost many Republican votes.

Goldwater declares that the Republican National Chairman, Dean Burch, should remain at his job. Burch declares that he will remain as National Chairman at least until the Republican National Committee meeting in January, 1965.

Rockefeller issues a statement denouncing Nixon's criticism; he urges "constructive rebuilding of the Republican party."

Nov. 6—An almost complete tally in *The New York Times* reveals that the popular vote for President Johnson totaled 42,187,772; for Goldwater, 26,607,815.

Nov. 9—Officials at Republican national headquarters in Washington, D.C., report a surplus of \$1.2 million in the campaign treasury.

Nov. 14—At a news conference, Barry Goldwater declares that the 2 major parties should realign and call themselves the Liberal and Conservative parties.

Nov. 17—Governor Smylie announces that the Republican Governors Association will meet on December 4-5 in Denver, Colorado.

Minnesota Governor Karl F. Rolvaag names Walter F. Mondale, attorney general for the state, to fill Hubert Humphrey's Senate seat.

Segregation and Civil Rights

Nov. 4—The Rev. Dr. Martin Luther King

Jr. declares that he will lead demonstrations in Alabama and Mississippi "based around the right to vote" of Negroes.

Nov. 6—The N. Y. City Police Department's Civilian Complaint Review Board issues a statement clearing Lieutenant Thomas Gilligan of improper behavior; Gilligan shot and killed a Negro youth in July, 1964.

Nov. 17—*The Enterprise-Journal* (of McComb, Miss.) publishes a statement drawn up by 20 city leaders and signed by 650 white persons; the statement urges an end to racial violence and a return to law and order, including "equal treatment under the law for all citizens. . . ."

Nov. 18—In McComb, Miss., restaurants, motels and a theater, previously all-white, serve Negro patrons for the first time. There are no incidents.

Nov. 25—A spokesman for the F.B.I. states that the Bureau "has developed information identifying those responsible" for the deaths of 3 civil rights workers in June, 1964, near Philadelphia, Miss.

Supreme Court

Nov. 23—The Supreme Court refuses to review a N.Y. state court decision permitting the words "under God" to remain in the Pledge of Allegiance recited by school students.

VATICAN, THE

Nov. 17—The prelates at Ecumenical Council Vatican II vote to consider themselves a "college," ruling collectively with the Pope. The infallibility and ultimate supremacy of the Pope are recognized.

Nov. 20—Roman Catholic bishops approve the text of a document recognizing what is "true and holy" in non-Christian religions. Specifically, the text denies that the Jewish people have a special responsibility for the death of Jesus Christ. Final action on this document will come at the fourth session of Vatican II next year.

Despite the pleas of more than one thousand bishops, Pope Paul VI does not interfere with the Council's decision to postpone balloting on the issue of religious liberty

until the fourth session of Vatican II.

Nineteen last-minute papal amendments to the schema on ecumenism are accepted by the Council.

Nov. 21—At ceremonies terminating the third session of Vatican II, Pope Paul VI gives a new title to the Virgin Mary: Mother of the Church. This title had been considered and not accepted by the bishops. Pope Paul promulgates 3 texts, including "De Ecclesia" (the main dogmatic schema of the Council). He promises that bishops will be given some governing power.

Nov. 30—U.S. Francis Cardinal Spellman displays Pope Paul's tiara which the Pope relinquished November 13 in recognition of the hungry and poor. The tiara, given the Cardinal in gratitude for the money raised for overseas relief by American Catholics, will be displayed around the United States under the auspices of Catholic Relief Services.

VENEZUELA

Nov. 5—The coalition cabinet named by President Raul Leoni is sworn in.

VIETNAM, SOUTH

Nov. 1—U.S. President Johnson orders the immediate replacement of the B-57's destroyed in the Vietcong (pro-Communist) attack on Bienhoa airbase yesterday. Five B-57 jet planes were destroyed and 15 damaged; 4 U.S. helicopters and 3 Vietnamese bombers were also hit.

Nov. 5—The chairman of the High National Council, Dr. Nguyen Xuan Chu, resigns; Chu criticizes the cabinet (sworn in yesterday) of Premier Tran Van Huong as unable to "win the confidence of the population." The cabinet is composed of civil servants rather than politicians.

Nov. 6—Premier Huong issues a radio appeal for a chance to rule; street demonstrations have been threatened.

Nov. 13—Several hundred students march to protest against Huong's government. Premier Huong defends his cabinet before the High National Council (provisional legislature).

Nov. 20—On the third day of a 7,000-man offensive against rebel forces, in Taycunh and Binhduong Provinces, South Vietnamese soldiers destroy a large underground Communist fortification. (See also *U.S. Military*.)

Nov. 22—Police use tear-gas bombs to disperse rioters, after a day of outbreaks. Police report that men of draft age have been held. Premier Huong has warned that illegal demonstrators will be conscripted.

Nov. 24—Thich Tam Chau, chief political spokesman for the Buddhists, issues a communiqué denouncing the new civilian government and urging police and armed soldiers to permit demonstrations.

Nov. 25—Rioting and violence break out throughout Saigon; firm measures, based on martial law, are imposed. All schools in Saigon are closed.

Nov. 26—Premier Tran Van Huong declares a state of siege in Saigon.

Nov. 28—The High National Council issues a communiqué stating that Premier Huong might try to meet some of the demands made by demonstrators when order is restored to Saigon. The Buddhist Secular Institute issues a statement, read by Thich Tam Chau, in which Buddhist opposition to Huong's government is expressed. The Buddhists plan a campaign of non-violent resistance.

Nov. 29—A funeral procession for a Buddhist student killed during recent violence erupts into a battle between paratroop forces and Buddhists.

YEMEN

Nov. 5—It is reported that Yemeni royalists and republicans have agreed to a cease-fire effective November 9. A national conference will be held by the two factions.

Nov. 8—President Abdullah al-Salal of Yemen announces that a cease-fire has taken effect today, ahead of schedule.

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